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U.S. Department of Justice
Office of the Attorney General



1990 Annual Report of The Attorney General of the United States



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Foreword

To the Senate and the House of Representatives
of the United States of America in Congress Assembled:

This Annual Report on the activities of the Department of Justice during Fiscal Year 1990 highlights the many diverse activities of the Department and its major accomplishments in the enforcement of Federal laws and the administration of justice.

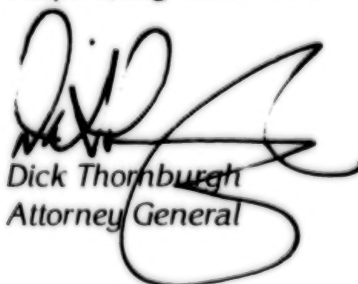
During this year, the Department worked vigorously to carry out its primary law enforcement missions of dismantling international drug cartels and bringing to justice financial executives who left the American taxpayer with the tab for their excesses during the 1980s.

In addition, landmark civil rights legislation was enacted with the passage of the Americans With Disabilities Act. Important environmental legislation was also passed which strengthens oil spill prevention and clean-up through more stringent safety requirements and stiff liability provisions for those who knowingly damage the environment.

In other areas, significant progress continued to be made in bringing organized crime figures to justice, meeting the challenges of immigration reform, protecting the interests of our nation, as well as managing our expanding Federal prison inmate population.

This is a Department with a great tradition of professionalism and excellence, and I am proud to present this report of our achievements to you and the citizens we serve.

Respectfully submitted,



Dick Thornburgh
Attorney General

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Chapter I: Countering Illegal Drug Activity

The Attorney General has stated that the war on drugs must ultimately be won on the battlefield of values and that, while we may not be able to change the values of most drug traffickers, progress can and has been made in the schools and neighborhoods. The fight against drugs must, therefore, attack both the demand for and supply of drugs. To this end, the Department devoted significant resources to: implementing an integrated national drug control strategy, utilizing cooperative drug enforcement operations, making effective use of the asset seizure and forfeiture program, and increasing drug demand reduction programs. The Department's efforts and programs, in its continuous fight against illegal drug activity during 1990,* showed a commitment to both aggressive law enforcement as well as drug-use reduction programs.

- United States Attorneys obtained convictions/guilty pleas for over 16,000 defendants on illegal drug charges.
- By the end of FY 1990, the Department's inventory of seized assets was valued at \$1.36 billion.
- The first equitable sharing arrangements with foreign countries were made in 1990 with Canada and Switzerland.
- Five geographical areas were designated as "high intensity drug trafficking areas" in the 1990 National Drug Control Strategy to focus multi-agency task force investigations and funding on locations where illegal drug activity is prominent.
- The Department continued its nationwide crime and drug abuse prevention campaign with a major focus on community and police partnerships to reduce crime and drug abuse.

National Drug Control Strategy

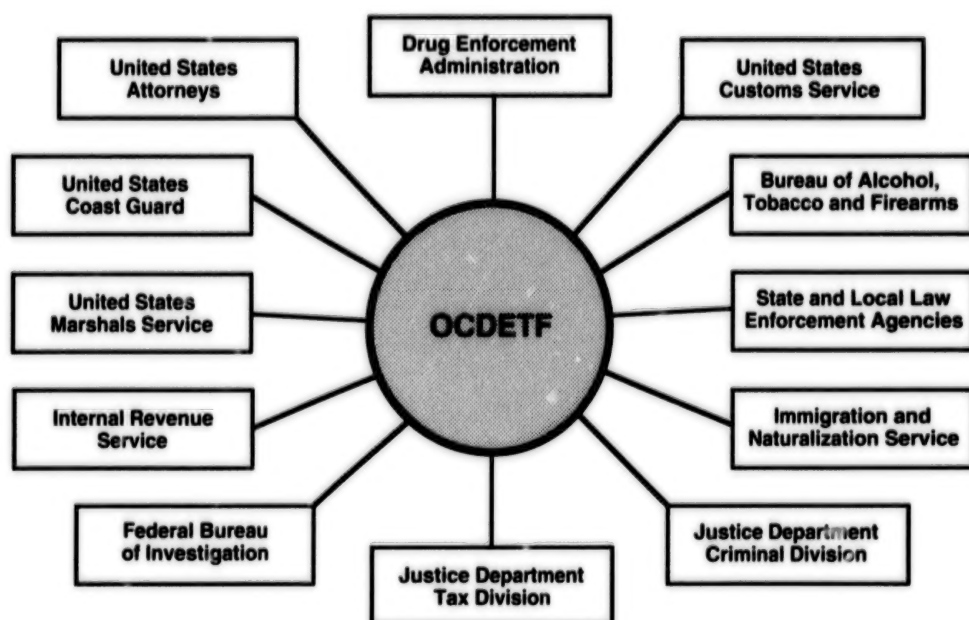
The National Drug Control Strategy is designed to erode the power and spread of drugs by consistently keeping pressure on all the avenues through which illegal drugs are made available or desirable and to hold those who use drugs accountable for their actions. In 1990, President Bush issued a companion volume to the 1989 National Drug Control Strategy that described the national drug policy in considerable detail. The 1990 Strategy presented the activities and responsibilities of Federal departments and agencies, specific initiatives to be implemented, and the funding necessary to carry out the policy. The Department of Justice continued to be a major player in the President's Strategy which includes roles not only for the Federal Government, but for state and local governments, the private sector, and community leaders and citizens alike.

The 1990 Strategy continued to emphasize the important role of the Organized Crime Drug Enforcement Task Forces (OCDETF) as well as the state and local task forces of the Drug Enforcement Administration (DEA). The OCDETF Task Force program consists of a nationwide structure of 13 regional task forces which utilize the combined resources and expertise of its 11-member Federal agencies in cooperation with state and local investigators and prosecutors to target and destroy major narcotic trafficking and money laundering organizations. The effectiveness of these task forces nationwide is described in numerous references throughout this report.

DEA's state and local task force program continued to support drug law enforcement

*This report covers Fiscal Year 1990, which began October 1, 1989 and ended September 30, 1990. All references to years indicate fiscal year unless otherwise noted.

Organized Crime and Drug Enforcement Task Force (OCDETF) Agencies



Source: 1990 National Drug Control Strategy

initiatives in communities throughout the country and was particularly effective against mid-level drug traffickers in 1990. During that time, there were 71 task forces in operation. The program continued its success by providing an increased level of cooperation between Federal, state, and local law enforcement organizations, increased intelligence generated at the state and local level, and increased return on investment in terms of asset seizures. These task forces remain among the most effective law enforcement vehicles and provide greatly needed assistance to state and local law enforcement efforts.

In 1990, the Director of the Office of National

Drug Control Policy (ONDCP) designated five areas as "high intensity drug trafficking areas (HIDTAs)": New York City, Los Angeles, Miami, Houston, and the Southwest Border. The Department of Justice is providing significant assistance to each of these areas in terms of enhanced programs and resources. In four of the areas (New York City, Miami, Houston and Los Angeles), the Department is the lead Federal coordinating agency and works closely with other Federal, state, and local agencies to ensure a coordinated attack.

Some examples of the Department's initiatives in support of the HIDTAs include:

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- U.S. Attorneys' Offices in the HIDTA districts helped coordinate the implementation of Special Funding Plans for each area;
 - INS' Border Patrol increased enforcement on the Southwest Border by using appropriations to upgrade radio communications and sensor equipment and to fund special southwest border operations;
 - DEA received over \$8 million from Special Funding and transferred 103 Special Agents into the HDTAs while also preparing resource and technical equipment requests; and
 - the various agencies participating in Operation Alliance, while functioning as an operational arm of the Southwest Border HIDTA, were responsible for seizing over 200,000 kilograms of marijuana and over 8,600 kilograms of cocaine.

Drug Enforcement Operations

Department components involved with the drug war have specific, interrelated tasks. Highlights of the Department's 1990 accomplishments related to drug enforcement operations are summarized below by component. In addition, the Department's efforts regarding significant international drug enforcement operations aimed at stopping worldwide illegal drug production and trafficking and promoting international cooperation in such investigations are addressed in Chapter IX, "International Cooperation."

Drug Enforcement Administration (DEA)

During 1990, DEA reported that the major cocaine cartels had difficulty moving bulk cocaine shipments into the United States via Mexico and

the Southwest Border. Notable factors contributing to these difficulties included: successful Mexican government interdiction efforts; the discovery of a smuggling tunnel in Douglas, Arizona; and an increased vigilance by Federal agencies along the border.

As a result, the United States experienced a decreased availability of cocaine in the market; prices began to rise and purity levels of cocaine began to decrease. This temporary disruption caused traffickers to seek alternate transportation routes for their products and increased their need to stockpile their wares. Examples of stockpiling were evidenced by the discovery of five metric tons of cocaine hidden in shipping containers beneath a layer of highly toxic lye by New York fire fighters, and the seizure of another nine tons in Texas, all in the early months of FY 1990.

By contrast, the availability of heroin, enhanced by the dramatic increase in worldwide production, reached an all-time high, with attendant decreases in prices, increases in purities, and increases in seizures. To counter this trend, Special Enforcement Programs -- King Cobra, Balkan, and Colombia -- in combination with five Special Enforcement Operations targeted the disruption and immobilization of major Southeast and Southwest Asian, European, Middle Eastern, and Mexican narcotics organizations trafficking heroin into the United States. These enforcement initiatives culminated in 1,928 arrests and seizures of 8,972.4 kilograms of heroin, 4,134 kilograms of opium, 295 kilograms of morphine base, 15 clandestine laboratories, and assets totaling over \$24 million. Total heroin domestic enforcement efforts resulted in 2,184 arrests and seizures of 699 kilograms of heroin and assets totaling over \$139 million.

Federal Bureau of Investigation (FBI)

During 1990, the FBI continued to target major, multijurisdictional drug trafficking organizations through long-term, sustained investigations aimed at dismantling organizational structure through the arrest/prosecution of organizational leadership and seizure/forfeiture of criminally obtained assets. As a result of these efforts, FBI drug investigations in 1990 resulted in 4,058 informations and indictments, 2,873 arrests, and 3,406 felony convictions.

A major multijurisdictional Mexican drug trafficking organization centered in California and operating across the country was destroyed in October 1989, with the arrest of the leader, Jose Hasakian. The day before his trial, Hasakian pled guilty to three counts of possession of a controlled substance with the intent to distribute. Hasakian was later sentenced to 10 years confinement and fined \$500,000 for his illegal activities. Seizures have approximated \$2.3 million and include Hasakian's residence, Pepe's Market, rental property, and a 200-acre ranch. More seizures are anticipated.

Also in 1990, Jose Rafael Abello-Silva, a top echelon Colombian drug trafficker who headed a large-scale, ruthless drug distribution network headquartered in Santa Marta, Colombia, was convicted on charges of conspiracy to import and distribute in excess of 500 kilograms of cocaine. A fugitive since his September 1987 indictment, Abello was sentenced to 30 years imprisonment and fined \$5 million dollars. He is the first Colombian national to be convicted in the United States since Colombia reinstituted the extradition process in August 1989. Investigation revealed Abello's role as a major North Coast drug trafficker, who transported drugs for the Medellin

Cartel, particularly with the Ochoa faction, into the United States through the Bahamas.

Immigration and Naturalization Service (INS)

INS gave enforcement priority in 1990 to apprehending and removing criminal aliens defined as aggravated felons, completing 39,771 criminal alien investigations. Of these, 17,165 cases involved aggravated felons and 16,162 involved drug trafficking. INS special agents also completed 244 investigations as members of the Organized Crime Drug Enforcement Task Force (OCDETF). These investigations resulted in the successful prosecution of 157 individuals. In the same time period, INS special agents completed 40 investigations of large-scale criminal organizations, all but 18 cases involving narcotics enterprises, and secured convictions of 32 defendants.

United States Marshals Service (USMS)

During 1990, USMS conducted "Operation Southern Star" -- a 10-week drug fugitive manhunt that resulted in the arrests of 3,743 criminals and the seizure of more than \$5.5 million in cash and property throughout the five major metropolitan areas of Miami, Houston, San Antonio, San Diego, and Los Angeles. A grant to help fund state and local participation in Operation Southern Star was received from the Bureau of Justice Assistance. The Florida National Guard and the Department of Defense were instrumental during this operation in providing air support for 100 air missions which resulted in the arrest of 51

fugitives. The entire Southern Star operation cost the Federal Government a total of \$2.8 million or \$742 per arrest. During the operation, Southern Star investigators seized drugs and other contraband valued at \$7,292,799.



As part of Operation Southern Star, Deputy Marshals and members of the Bexar County Sheriff's Department make an arrest following a 10-week drug fugitive manhunt.

U.S. Marshals Service Photo

CONTRABAND SEIZED (All Southern Star Sites)

DRUGS:

Cocaine valued at.....\$3.24 million

Heroin valued at..... 26,880

Marijuana valued at.....1.08 million

Other (methamphetamine, etc.)
valued at.....2.78 million

218 WEAPONS:

197 Firearms valued at..... 67,440

United States Attorneys

Enforcement efforts continued to emphasize investigations of large-scale drug organizations requiring the cooperation of Federal, state, and local law enforcement. In one case, 43 people were arrested in the Eastern District of Tennessee by a joint Federal-state task force pursuant to 34 Federal and 13 state indictments centering on crack cocaine distribution in public housing projects. The charges describe a large-scale infiltration of outsiders, including foreign nationals, into upper East Tennessee to set up a crack distribution network.

In the District of Columbia, a 45-count indictment charged cocaine king Rayful Edmond and 29 codefendants with a variety of Federal narcotics offenses and charged Edmond himself with operating a Continuing Criminal Enterprise. Overall, the investigation resulted in convictions and lengthy sentences of 37 defendants. In another large drug trafficking case, the U.S. Attorney's Office in the Eastern District of Wisconsin convicted John Mettler, formerly a pilot for Colombian drug kingpin Carlos Lehder; Mettler was sentenced to 37 1/2 years imprisonment.

Criminal Division

Criminal Division attorneys obtained the conviction of 36 traffickers as a result of Operation Quicksilver. Notably, four major drug traffickers were convicted of importing more than 18,000 pounds of marijuana and 1,100 kilograms of cocaine. Overall, the value of forfeited assets exceeded \$2.5 million. The U.S. Customs Service and the Puerto Rico Police Department were

instrumental in the success of this operation. The Division also obtained a Continuing Criminal Enterprise conviction resulting in a life sentence for Thomas Terry Penton for transporting at least 2,200 kilograms of cocaine from the Caribbean to the United States.

The Criminal Division was also involved in a trial of a notorious drug trafficker, who was convicted in the DEA Agent Enrique "Kiki" Camarena murder case, on charges of a far-reaching drug importation conspiracy and a variety of related substantive drug offenses. In addition, the Division prosecuted Colombian cocaine cartel money launderers identified in "Operation Polar Cap," the largest Federal money laundering investigation ever conducted, and traced nearly \$1.2 billion, identified in the investigation, for possible forfeiture actions.

Tax Division

Tax Division attorneys obtained the conviction, on tax charges, of Ciro Wayne Mancuso, kingpin of a narcotics empire that imported more than \$250 million of marijuana into the United States from 1969 through 1987. As part of his plea agreement, Mancuso agreed to forfeit more than \$5 million in assets to the Government. Mancuso was only one of a number of major drug dealers felled by tax charges in 1990.

Office of the Solicitor General

The Office of the Solicitor General won an important victory that will aid drug enforcement operations. In *United States v. Verdugo-Urquidez* the Supreme Court held that the Fourth Amendment is inapplicable to searches of the persons or

property of foreign citizens who are not residents of this country. This case held that the Fourth Amendment does not apply extraterritorially, except as to American citizens and others (such as resident aliens) who have a close tie to the United States. This decision will give additional flexibility to American law enforcement agents engaged in overseas investigations like drug smuggling, international money laundering, and terrorism.

Asset Seizure and Forfeiture

Asset forfeiture has proven to be one of the most powerful new weapons available in the war on crime. Recognizing the critical importance of asset forfeiture to the overall goal of identifying and destroying the financial infrastructures of criminal enterprises, the forfeiture program was placed among the Department's highest priorities in 1990. As such, the Attorney General created the Executive Office for Asset Forfeiture within the Office of the Deputy Attorney General to provide overall management direction and oversight to the Program.

The Department's forfeiture program consists of six components: the investigative agencies -- the Drug Enforcement Administration, the Federal Bureau of Investigation, and the Immigration and Naturalization Service; the U.S. Marshal Service which is responsible for managing and disposing of property; the U.S. Attorneys who litigate forfeiture cases; and the Asset Forfeiture Office, Criminal Division, which provides litigation and legal support to the other components of the Program.

Money realized from the disposition of forfeited assets was deposited in the Justice Asset

Forfeiture Fund. The Fund had a gross income of over \$460 million during 1990. In addition to paying the expenses of the Program, transfers of cash and property to state and local agencies participating in Federal cases totaled \$200 million. Almost \$116 million (including tangible property pressed into official law enforcement use) was distributed to Federal law enforcement agencies, and \$115 million was transferred to the Bureau of Prisons for prison construction in 1990. The deposits to the Fund represent forfeited cash and the proceeds from the sale of forfeited property and income from investment of Fund balances.

The Department's Asset Forfeiture Program has three primary goals set forth by the Attorney General's Guidelines on Seized and Forfeited Property:

- to punish and deter criminal activity by depriving criminals of property used or acquired through illegal activities;
 - to enhance cooperation among foreign, Federal, state, and local law enforcement agencies through equitable sharing of forfeited assets; and
 - to produce revenues to enhance forfeitures and strengthen law enforcement.
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Domestic Drug Production

Consistent with its efforts of previous years, the Department placed great energy in combating illicit drug production within the United States in 1990. DEA, along with the Hawaii Department of Land and Natural Resources and the National Guard, initiated a Special Enforcement Operation (SEO) called "Operation WIPEOUT." This operation, with assistance from Federal, state, and local law enforcement agencies and the Department of Defense, and funded through a grant from the Bureau of Justice Assistance (BJA), targeted growers of high-grade cannabis throughout Hawaii. Utilizing both herbicidal spraying and manual eradication techniques, efforts resulted in the eradication of over 700,000 marijuana plants, an estimated three-fourths of the entire summer cannabis crop in that state.

Other major DEA operations which targeted domestic drug production during the year involved the arrest of a major methamphetamine violator in California, whose subsequent cooperation resulted in agents seizing 464.5 kilograms of methamphetamine. In January 1990, the newly created "Ice" Task Force in Hawaii arrested several violators, including a Korean national, and seized over 6 kilograms of "Ice" and \$904,700 in U.S. currency. A court-authorized wire intercept by DEA on a company identified as a major supplier of ephedrine to illegal manufacturers of methamphetamine in California culminated in 1990 with the seizure of approximately 1,363 kilograms of ephedrine and the arrest of the owner.

The Chemical Diversion and Trafficking Act (CDTA) was increasingly employed to bring charges against chemical distributors, resulting in

an unprecedented 40 percent decline in seizures of clandestine laboratories. Imports of ephedrine and pseudoephedrine, precursors for the clandestine manufacture of methamphetamine, declined by 36 percent in 1990. DEA Diversion Investigators conducted 1,405 diversion complaint cases resulting in the arrest of 322 individuals. Fines and seizures totaled approximately \$20 million, which represents a 25 percent increase over 1989.

Many U.S. Attorneys' Offices were involved in marijuana eradication programs in 1990. The U.S. Attorneys in Kentucky and Alabama sent written notice to land owners that allowing illegal drug production on their property may cause the property to be seized and forfeited to the Government. U.S. Attorneys' Offices focused also on the problems of clandestine labs and diversion of prescription drugs. A joint investigation conducted by the DEA, State Police in Arkansas and Texas, and the Twelfth Judicial District Task Force resulted in the convictions of four defendants and the property owned by drug kingpin Richard Haren being forfeited to the Government.

Demand Reduction

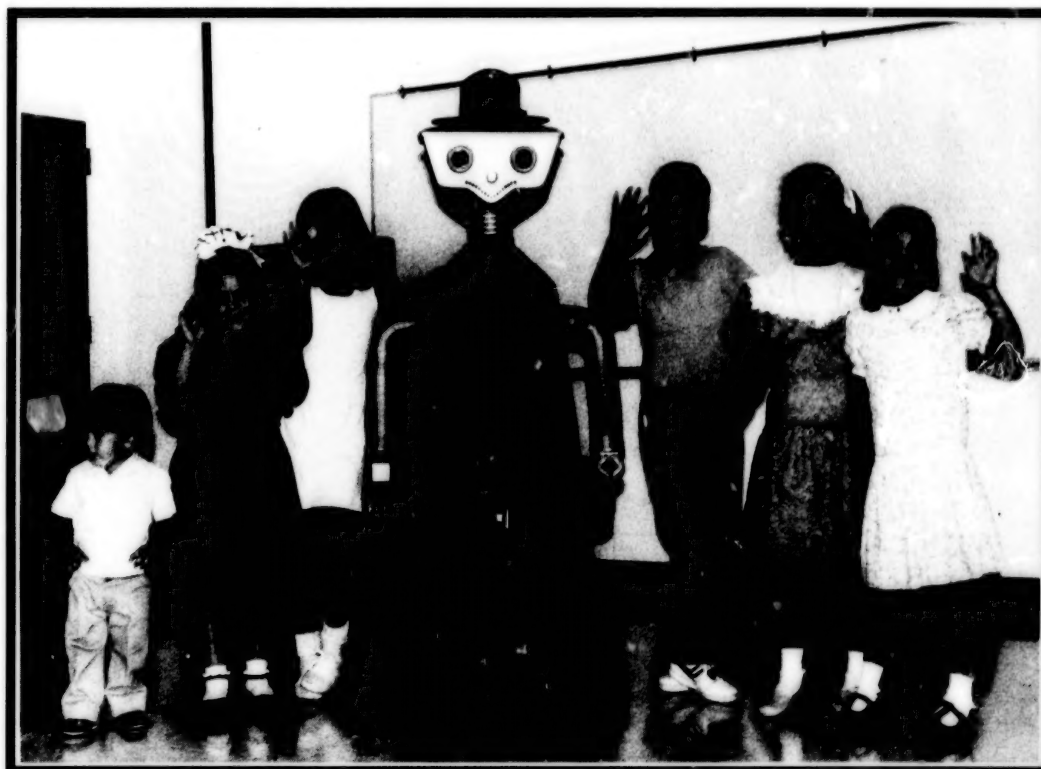
In addition to its primary focus on reducing the supply of illicit drugs, the Department supported efforts to reduce the demand for illegal drugs. DEA's Demand Reduction Section made presentations to more than 2,000 groups during 1990, including the biennial Law Enforcement Explorers Conference of the Boy Scouts of America in Boulder, Colorado. More than 3,000 Explorers attended the week-long conference.

The FBI sponsored a national teleconference on Community Drug Prevention Programs, "Recapturing Our Neighborhoods, Communities Mobilize Against Drugs." Production was jointly coordinated with DEA, Holiday Inn and Comsat Video. A joint program, aimed at establishing alternative education for high-risk youth, was launched at the FBI Academy with the Boys and Girls Clubs of America.

The Community Relations Service executed a memorandum of agreement with the Office of Drug Free Neighborhoods, Department of Housing and Urban Development, which resulted in the establishment of "Operation Jumpstart." Response teams in 10 regional areas respond to Public Housing Authorities around the country where drug and gang activity has resulted in racial conflict and public crisis.

The Border Patrol continued its 3-year-old program to reduce the demand for drugs through demonstrations in local schools, using agents with drug-sniffing dogs, robots, video tapes, posters, and pamphlets. These demand reduction teams nationwide in 1990 gave 11,914 presentations for more than one million persons, including students and teachers in 3,307 schools and members of 1,164 civic groups.

In 1990, approximately 7,500 Drug Abuse Resistance Education (DARE) instructors were trained by or with the assistance of the Office of Justice Programs' Bureau of Justice Assistance supported DARE Regional Training Centers. Also during that period, DARE training was



Border Patrol Robot "K.C." with Children

Immigration and Naturalization Service Photo

expanded to include a component to provide drug use prevention training to parents. The DARE program teaches kindergarten to 12th grade students ways to resist peer pressure to experiment with drugs.

OJP also implemented the Denial of Federal Benefits Program in late 1990, pursuant to the Anti-Drug Abuse Act of 1988. The Act provides that any individual who is convicted of a Federal or state offense for the distribution or possession of a controlled substance may, at the discretion of the court, be denied Federal benefits. OJP established a clearinghouse to process notifications from courts of such sentences and to transmit them to the General Services Administration for inclusion in the Debarment List and to Federal agencies.

Recognizing the need to deal with the rising numbers of inmates who are entering the prison system with serious substance abuse problems, the Bureau of Prisons increased its provision of new and expanded drug treatment programming. In 1990, 46 percent of the inmate population had moderate to serious drug habits. Outpatient drug treatment and drug education programs were offered in the vast majority of the institutions. In 1990, five additional residential treatment programs were developed. These programs incorporated comprehensive assessment, therapy, and evaluation components based on the individual's needs.

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Chapter II: White-Collar Crime

White-collar crimes are those illegal acts that are characterized by deceit, concealment, or violation of trust which are not dependent upon the threat of physical force or violence. White-collar criminals leave their debilitating effects on society by undermining the public's faith and trust in business, government and financial institutions. It can cause job loss, false pricing, and deterioration of standards, leaving its victims emotionally traumatized and economically destitute. For these reasons, the Department spearheaded a renewed and aggressive law enforcement effort for the 1990's to protect the valued institutions of our free enterprise system and prevent further abuse of the public trust.

White-Collar Crime

The Department took aggressive steps during 1990 to increase pressure upon perpetrators of illegal acts that have become known as "crime in the suites."

The common thread that binds these varying types of white-collar criminals is that each leaves behind a great deal of paper. It is the paper trail of these criminal acts that takes a tremendous amount of time and patience to thoroughly research and investigate so that effective prosecution can occur. At the direction of the President of the United States, the Department has made the white-collar crime initiative a priority because the Federal Government is often the only one with the investigative manpower and prosecutorial capacity and legal scope to handle these cases. White-collar crime cannot be addressed effectively by private suit or by state

and local law enforcement groups when it involves sophisticated conspiracies to defraud or complicated money laundering schemes reaching across international borders.

The Department's investigations have catalogued seven different and distinct types of white-collar criminals.

- **Savings and loan predators.**
 - **Defense contractors who commit procurement fraud.**
 - **Investment bankers, brokers, and traders who engage in insider trading.**
 - **Contractors and consultants who defraud the Department of Housing and Urban Development.**
 - **Money launderers seeking to cover their gains from illegal drug proceeds.**
 - **Price-fixers and others colluding in restraint of a free market through antitrust violations.**
 - **Public officials who aid and abet all of the foregoing in their illegal undertakings.**
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The Department's overall investigative and litigative achievements in fighting white-collar crime during 1990 were evidenced by the growing number of indictments and convictions obtained, lengthy prison sentences imposed, and large fines and restitutions ordered by the courts. Various types of task forces nationwide -- such as the Clean/Dig Government Task Force in Massachusetts, the Defense Kickback Task Force in

Connecticut, and the "Operation Welcheat" task force in Illinois -- were effective tools in combating white-collar crime regarding corruption and illegal labor practices on two local area clean-up/construction projects, defense procurement fraud, and criminal welfare fraud, respectively.

While the Department intensified its focus on financial institutions fraud in 1990, significant strides continued to be made regarding public corruption, defense procurement fraud, tax fraud, and other white-collar crime. During 1990, the Department also continued to move vigorously on securities and commodities fraud, obtaining the conviction of a notorious penny stock violator, Sam Merit, and securing the conviction of a total of 50 commodities traders by the end of 1990 for fraud in the trading pits of Chicago's commodity exchanges.

Public Corruption

During 1990, the Department investigated and prosecuted aggressively corruption cases involving public officials at all levels of government. This initiative was pursued namely by the U.S. Attorneys' Offices, the Federal Bureau of Investigation (FBI), and the Criminal Division. Efforts of the U.S. Attorneys' Offices nationwide resulted in filing 431 cases and charging 618 individuals with official corruption. The Public Corruption Subprogram of the FBI achieved 591 informations and indictments, 518 convictions and pretrial diversions, and \$397.4 million in fines, recoveries and restitutions during 1990.

Interagency cooperation was instrumental in the successful exposure of systematic corruption

of public officials. One public corruption probe in Tennessee -- "Operation Rocky Top" -- involved the cooperation of three U.S. Attorneys' Offices in the state, the FBI, IRS, and state agencies, and resulted in the successful prosecution of 25 people, including several at the highest levels of state government. In an undercover operation in South Carolina, led by the FBI and assisted by the U.S. Attorney's Office, "Operation Lost Trust" brought the indictment of 10 state legislators and one lobbyist. Former West Virginia Governor Arch A. Moore, Jr., pled guilty to five counts of mail fraud, extortion, tax evasion, and obstruction of justice as a result of a long-term, continuing investigation into corruption in West Virginia conducted by the Criminal Division and the U.S. Attorney's Office. Former Governor Moore was sentenced to more than five years imprisonment and fined \$170,000.

Notable public corruption cases successfully prosecuted by the Department have resulted in the conviction or indictment of public officials at all levels of government.

- U.S. District Court Judge Robert P. Aguilar, of the Northern District of California, was convicted for illegally disclosing the existence of a wiretap to the target of the wiretap and endeavoring to obstruct a grand jury investigation. Aguilar now faces impeachment and removal from office by the United States Congress.

- Thomas L. McGill, a prominent Philadelphia defense attorney, and his codefendants, Kenneth S. Harris, a former Philadelphia judge, and Leon Brown, were convicted on charges of committing interstate travel in aid of racketeering and conspiracy. These charges arose out of a case-fixing bribery scheme.

- A 10-year probe within the Philadelphia Police Department ended in the conviction of the commander, his second-in-command, and two line officers on the city's elite undercover narcotics squad.

- An operation in the State of Kentucky resulted in the indictment of four county sheriffs and one chief of police involved in the protection of an alleged drug operation.

Tax and Other Fraud Cases

Litigative efforts of the Department during 1990 regarding tax and other major fraud cases, such as fraud against the Department of Housing and Urban Development (HUD), certain bankruptcy cases, and defense procurement fraud, recovered millions of dollars for the Government and resulted in the indictments of leading business and political figures. The combined efforts of the Civil Division and U.S. Attorneys' Offices obtained recoveries in excess of \$257 million in tax and other fraud cases against the Government in 1990. In the much-publicized Leona Helmsley case, part of the sentence imposed by the U.S. District Court for the Southern District of New York was a fine of \$7.152 million and a payment of more than \$1.2 million in restitution to the Government by Ms. Helmsley for her conviction on tax and mail fraud charges. In conjunction with "Operation Ill Wind," the ongoing investigation of defense procurement fraud, the Tax Division obtained the conviction of William M. Galvin, a major target of the investigation, on tax charges stemming from his role in bribing Navy and Air Force officials in an effort to obtain Government contracts.

In cases of fraud against HUD, prosecuted by the United States Attorney's Office, a former county court judge in Texas pled guilty to defrauding HUD and, in another significant case, Oklahoma State Senator Leo Kingston and his wife were found to have conspired to defraud HUD. Criminal Division attorneys obtained 12 convictions of prominent businessmen and their associates through the investigative efforts of the Oklahoma City HUD Fraud Task Force.

In 1990, Tax Division attorneys took dramatic action to protect Federal revenue as exhibited in the bankruptcy cases of William Herbert Hunt and Nelson Bunker Hunt, the largest individual bankruptcies in United States history. In those actions, the Government's interests were successfully represented so that the Government is assured to receive \$170 million from the Hunt brothers and also to receive an additional \$165 million out of the Hunts' future income.

With regard to defense procurement fraud cases, the Criminal Division obtained 13 convictions and over \$10.4 million in assessed fines and related recoveries as a result of "Operation Ill Wind." Other negotiated settlement packages with defense contractors, valued at \$44.45 million and a recovery of \$34.7 million through voluntary disclosures, were also achieved. A major defense contractor, Harris Corporation, and two of its officers and employees were indicted for violating the anti-bribery provisions of the Foreign Corrupt Practices Act. Through the efforts of the Antitrust Division's intensive probe of bid-rigging and price-fixing activities by defense contractors, 21 defense procurement criminal cases were brought, and numerous grand juries continue to look into these alleged illegal activities. It is estimated that

the Antitrust Division's criminal prosecution of Government procurement fraud saves the Federal Government anywhere from \$400 million to \$1.85 billion per year in the cost of goods and services purchased by the United States.

Savings and Loan Fraud

The Department's anti-white-collar crime drive in 1990 concentrated its efforts on savings and loan frauds -- the white-collar crime that most concerns the country at the present time.

Attorneys from the Department of Justice Fraud Squad uncovered an "epidemic of fraud" among the savings and loans presently in default.

Twenty-five to 30 percent, conservatively, of these "thrift failures" could be laid to wrong-doing by miscreant bank officials. In response to the need to move decisively against these white-collar criminals, the Department strengthened its efforts by putting more task forces in place, transferring experienced FBI agents to these cases, and hiring additional prosecutors.

"We will use the full reach of the law to go after those who manipulated other people's money by fraud, bribery and corruption and whose actions contributed to the failure of too many of our savings and loan institutions, requiring the taxpayers to pick up the bill."

Attorney General
Dick Thornburgh
June 22, 1990

The Department's aggressive pursuit of savings and loan fraud in 1990 yielded highly successful results. During this period, 33 Chief Executive Officers/Chairmen-of-the-Board or Presidents of thrift institutions were charged and 39 convictions obtained, as a result of the combined efforts of the Department's Criminal Division and the U.S. Attorneys' Offices, in "major" savings and loan cases alone. An estimated 204 savings and loan institutions were victimized for an estimated \$2.6 billion loss during that same period. Approximately 259 defendants were charged and 228 of those have been convicted thus far. Courts ordered an estimated \$2.4 million in fines and \$203.5 million in restitution in these cases.

In the first criminal trial in Southern California against the owners of a failed savings and loan association, the former co-owners of the now-defunct Ramona Savings and Loan Association were convicted for defrauding the savings and loan in a complicated real estate and lending fraud. The defendants' conduct caused the financial institution's collapse, requiring a \$65.5 million Federal bailout. One defendant was sentenced to 15 years in prison and ordered to pay \$6.7 million in restitution and fines, and the other defendant was sentenced to 12 years in prison and ordered to pay \$6.7 million in restitution and fines. In another case in the Central District of California, the partner of the chairman of the North American Savings and Loan in Orange County, California, was convicted of Racketeer Influenced and Corrupt Organizations violations for her role in helping to loot North American Savings and Loan of in excess of \$16 million through separate schemes. The defendant was sentenced to 20 years in prison and ordered to pay restitution of \$13 million.

The Dallas Bank Fraud Task Force, combining the efforts of the Criminal Division's Fraud Section attorneys, the Federal Bureau of Investigation, the Internal Revenue Service, Federal Bank Examiners, and the U.S. Attorney's Office for the Northern District of Texas, continued to be highly successful in its mission to uncover financial institution fraud. The Task Force initiated 28 prosecutions against 34 defendants and obtained 25 convictions, with \$162,000 in fines and \$5.2 million in restitution ordered. Noteworthy convictions were obtained of high-ranking institutional officials during 1990.

- Woody F. Lemons, former chairman of the board of Vernon Savings and Loan Association, was convicted and sentenced to 30 years in prison.
- Don R. Dixon, former majority owner of Vernon Savings and Loan Association, was convicted on 23 counts of a 38-count indictment in December 1990.
- Paul S. Cheng and Simon E. Heath were convicted on various charges in connection with a \$10 million loan that they made while they were co-owners and co-chairmen of the Guaranty Federal Savings and Loan Association.
- Woodrow O. Brownlee and John W. Harrell were convicted on charges relating to a \$1 million sham transaction in early 1984. Brownlee was president of Commodore Savings Association and Harrell was vice chairman of the board and chief executive officer of Commodore.

During 1990, the Tax Division was heavily involved in tax investigations and prosecutions arising out of the Dallas Bank Fraud Task Force.

Tax Division attorneys successfully prosecuted James McClain, a developer and financier, on charges arising out of his bribery of several savings and loan officers. The conviction of Richard E. Dover, a key figure in the demise of Western Savings Association, as well as the convictions of many individuals responsible for defrauding the depositors of Sunbelt Savings Association, were also obtained through the efforts of the Tax Division.

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Chapter III: Organized Crime

To utilize the Department's resources against organized crime more effectively, the Department implemented the reorganization of its organized crime program by merging its Organized Crime Strike Forces into the U.S. Attorneys' Offices and by creating the Organized Crime Council. These Strike Force Units remain dedicated exclusively to organized crime matters and benefitted greatly during the past year by the infusion of additional attorney resources from the U.S. Attorneys' Offices. The Organized Crime Council was created to evaluate trends in organized crime activity, refine a national strategy for the investigation and prosecution of organized crime, and evaluate the threat presented by emerging organized crime elements. While the elimination of La Cosa Nostra continued to be a top priority for the Department's organized crime program, the Council identified a number of non-traditional organized crime groups as some of the most significant and dangerous operating in the United States today.

La Cosa Nostra

During 1990, the Organized Crime Strike Force Units achieved a number of impressive indictments and convictions against La Cosa Nostra (LCN) since their incorporation into the U.S. Attorneys' Offices. After eight years of investigation, 20 members of a Chicago crime syndicate were indicted in connection with the activities of a racketeering enterprise known as the "Joseph Ferriola Street Crew." These activities included murder, extortion, bribery, and the financing and collection of usurious loans and illegal gambling.

In other significant Strike Force cases, the last active caporegime (captain) in the Scarfo La Cosa Nostra family was convicted on charges of racketeering, murder, conspiracy, extortion and gambling and sentenced to 20 years imprisonment. Also, the alleged head of the Connecticut faction of the Gambino family was convicted of Racketeer Influenced and Corrupt Organizations (RICO) violations and was sentenced to 71 months imprisonment.

The Criminal Division investigated and secured indictments and convictions of a number of key organized crime figures during 1990. In one case, an alleged New England LCN boss and eight codefendants were charged with assorted homicides, extortions, and narcotics trafficking and 13 additional defendants were charged with more murders as a result of information gathered by FBI monitoring during a membership ceremony. In another case, a Chicago LCN street boss and 19 members and associates of the Chicago LCN were charged with controlling Chicago's street rackets through murders, extortions, and bribery. The Criminal Division also obtained the conviction of two powerful leaders of the Pittsburgh LCN family found guilty of wide-ranging acts of robbery, extortion, drug trafficking, money laundering, and obstruction of justice.

Other Organized Crime Groups

There are many organized groups from various geographic and ethnic backgrounds that are involved in illegal activities. As such, law enforcement agencies have devoted substantial efforts to identifying, researching and analyzing the activities of these groups. For example, the

Organized Crime Drug Enforcement Task Force (OCDETF) participating agencies have become very skilled in the identification and targeting of those organized crime groups involved in narcotics trafficking and drug related financial crimes. The Drug Enforcement Administration and Federal Bureau of Investigation intelligence analyses have identified over 500 trafficking organizations operating within the continental United States. Such groups include not only the Colombian organizations, but Jamaican posses, Nigerians, and a wide variety of American based groups.

The Criminal Division also completed research on an international project to document the organization and activities of members of Italian organized crime groups (Mafia, 'Ndrangheta, and Camorra) operating in the United States and Canada. These groups are distinct from, but may cooperate with, the American LCN. In addition, as a reaction to a growing awareness of the threat posed by Asian organized crime groups, the Organized Crime Council initiated a comprehensive analysis by cooperating Federal agencies of the current activities and memberships of Asian criminal groups.

The U.S. Attorneys' Offices have responded to the changing nature of organized crime by addressing the gang problem through training, task forces, and prosecutions. The first case to result from the Violent Traffickers Project (VTP) was a 72-count indictment charging 23 members of a Jamaican drug organization with various offenses including RICO, Continuing Criminal Enterprise, violent crime in aid of racketeering and the use of juveniles to distribute narcotics. Nine defendants were found guilty, 11 defendants pled guilty, three remain fugitives, and two other

defendants pled guilty in related indictments. Two of the leaders of this Jamaican drug organization were sentenced to life without parole.

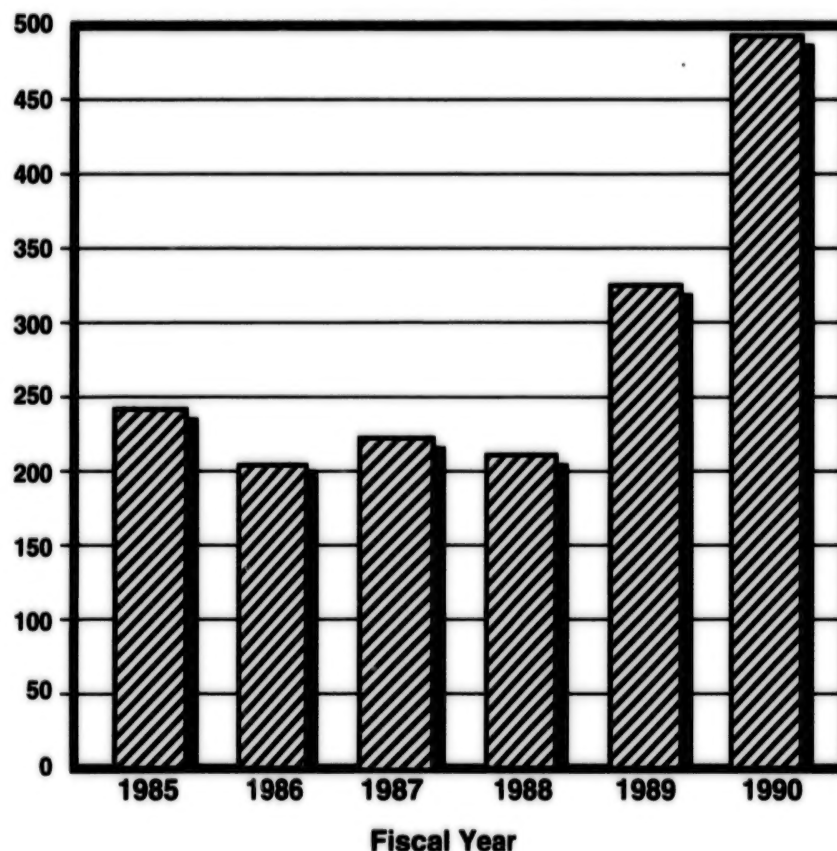
Gang task forces in the U.S. Attorneys' Offices proved to be a useful tool in combating organized crime in 1990. The Drug Gang Task Force in the Northern District of Georgia was responsible for the indictment of five Jamaican gang drug dealers in June 1990. The U.S. Attorney's Office in the Northern District of Ohio has a Caribbean Gang Task Force which includes eight Federal agencies and seven local law enforcement agencies. This task force was responsible for 149 arrests and 27 Federal indictments.

Judicial and Witness Security

Security measures for the Federal judiciary were intensified by the U.S. Marshals Service (USMS) after Judge Robert Vance of the U.S. Court of Appeals for the 11th Circuit was killed by a pipe bomb mailed to his home in Birmingham, Alabama, in December 1989. Immediately, Federal judges nationwide were alerted. Mail to Federal judges at their homes was re-routed to Federal court facilities for screening by the Marshals Service, and security measures at Federal court buildings were strengthened.

Shortly after Judge Vance's death, Marshals Service security personnel found a pipe bomb in the mail at an 11th Circuit facility in Atlanta addressed to the clerk's office. The bomb was disarmed and USMS began around-the-clock security details for 29 Federal judges in the 11th Circuit.

Threats Against the Judiciary FY 1985 - 1990



Nationally, 496 threats against members of the Federal judiciary were reported during 1990, a 50 percent increase over the previous year. A total of 143 personal security details were established by USMS during the year, a 54 percent increase from fiscal year 1989. The Marshals Service also provided security for 124 Federal judicial conferences, an increase of 153 percent over fiscal

year 1989 and took special security measures at 306 trials, a 28 percent increase from the prior year. In addition, USMS security personnel detected 137,820 concealed weapons carried by persons trying to enter Federal courthouses, of which 37 percent were firearms.



Deputy Marshals escort a witness protected under the Witness Security Program.

U.S. Marshals Service Photo

The Witness Security Program, operated by the Marshals Service, continued to be an effective mechanism for the successful prosecution of drug traffickers, organized crime, terrorists, and other major criminal elements. During the year, 173 new principal witnesses entered the Witness

Security Program. Over 500 witnesses were produced for court testimony and, in spite of verified death threats against most of the witnesses, no witness following the guidelines of the Program was injured or killed.

Chapter IV: Litigation Priorities

Litigation priorities within the Department during 1990 covered a wide range of significant issues. The Department's litigative efforts involving the environment, obscenity and pornography, and civil rights concerns produced landmark achievements. Additional litigation activity resulted from a variety of civil and criminal matters, as well as the Department's representations before the Supreme Court concerning issues of considerable importance to the nation.

The Environment

Significant progress was made by the Department during 1990 in the area of environmental enforcement as evidenced by the notable increase in felony indictments, convictions, and considerable fines, restitutions, and recoveries obtained over past years' efforts. For the Environment and Natural Resources Division, felony indictments for environmental crimes in 1990 rose 33 percent over the previous year; fines, restitution, and forfeitures totaled \$29,977,508; and a 95 percent conviction rate was achieved with jail terms for defendants averaging 1.8 years, an all-time record. The Division also experienced great successes during this same period in the civil enforcement of environmental statutes, making 1990 the second consecutive billion dollar recovery year.

- Recovered \$61,770,070 in past costs expended by Superfund and \$1,093,900,635 in court-ordered cleanup activities.
- Obtained \$23,000,000 in natural resource damage recoveries.

- Secured \$32,134,021 in civil penalties.

During 1990, the Environment and Natural Resources Division filed 151 Superfund cases under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the highest number in the history of the Act. The Department also obtained the first ever major recoveries for damages to natural resources harmed by pollution activities -- \$23 million -- pursuant to the Clean Water Act and CERCLA.

In an unusual case involving drug and environmental charges the Criminal Division obtained an eight-count indictment charging six defendants with knowingly causing hazardous waste to be disposed of without a permit. Trichlorofluoromethane, a toxic solvent commonly known as Freon, was found in an alleged methamphetamine laboratory, and the defendants were also charged with conspiring to distribute methamphetamine and with possessing guns during a drug crime.

In one of the many cases filed by the U.S. Attorneys' Offices, involving violations of statutes and regulations relating to toxic, hazardous, or carcinogenic substances, the Massachusetts U.S. Attorney's Office convicted a company and its president of illegally discharging toxic metals and dangerous chemicals and endangering company employees as a result. This was the first conviction of a corporation or individual under the provision of the Clean Water Act which prohibits knowingly endangering another person. In other significant actions brought by U.S. Attorneys' Offices under the Clean Water Act, the City of Philadelphia agreed to pay \$1.5 million in civil penalties, and the USX

Corporation agreed to pay \$34 million in penalties and costs associated with cleanup of the illegal dumping of wastewater into the Grand Calumet River.

Civil Rights

The Department's criminal civil rights prosecution efforts during 1990 grew significantly in number and were highly successful in obtaining convictions for crimes of racial violence. An outstanding record was achieved by the Civil Rights Division in the prosecution of hate crime defendants, 100 percent of whom were convicted for acting out their racial, ethnic and religious hatreds with violence and acts of intimidation. Likewise, the U.S. Attorney's Office for the Northern District of Alabama secured the conviction of six men charged with the intimidation of a black man who moved into an all-white neighborhood. The defendants all received prison sentences and ordered to make restitution for damage caused to the victim's apartment when they set fire to an automobile driven into the dwelling. In another case being handled by the U.S. Attorney's Office for the Northern District of Georgia, the much publicized mail-bomb murders of U.S. Appeals Court Judge Robert S. Vance and civil rights attorney Robert E. Robinson resulted in a 70-count indictment charging the defendant with murder and a series of related criminal and civil rights offenses.

In the area of fair housing, the Department greatly expanded its enforcement efforts pursuant to its new authority under the Fair Housing Amendments Act and the new protections against discrimination afforded by the Act to persons with disabilities and families with children. During

1990, the Department worked closely with the Department of Housing and Urban Development to eliminate discrimination in housing and filed 40 fair housing cases alleging a variety of discriminatory housing practices, including:

- suits against local governments challenging zoning or other land use laws which restrict the locations of group homes for handicapped persons;
- suits against landlords for refusing to rent to recovering substance abusers;
- suits against housing providers which exclude or restrict in some way, rentals to families with children;
- suits alleging sexual harassment by landlords; and
- suits challenging racially discriminatory housing practices.

In 1990, the Special Counsel for Immigration Related Unfair Employment Practices received and began investigation of 521 charges of employment discrimination (a 35 percent increase over 1989) and initiated 110 independent investigations (a 77 percent increase over 1989). These actions resulted in the filing of complaints, negotiating formal settlements of charges, negotiating settlements of independent investigations, and resolving others through voluntary changes in personnel policies and practices. The Civil Rights Division also continued its efforts to encourage public employers to develop lawful job related selection procedures, as well as monitoring significant consent decrees to ensure that those negotiated settlements achieve their purposes.

In the area of voting rights enforcement, the Civil Rights Division successfully tried its suit challenging the 1981 districting of Los Angeles County, California, which divided the Hispanic population into three of the five county supervisor districts to prevent Hispanics from electing persons of their choice to those positions. As a result of this suit, a special election was ordered in a new, majority Hispanic district.

Obscenity and Pornography

The Department continued successful prosecutions under obscenity-based Racketeer Influenced and Corrupt Organizations (RICO) charges with the conviction of Ferris Alexander, the largest dealer of obscene material in the State of Minnesota. In addition to a six-year prison sentence, the court required forfeiture of all his businesses and imposed \$11 million in fines and forfeitures.

In the first investigation under a new statute criminalizing the use of satellite or cable television to distribute obscene material, the Criminal Division obtained a plea agreement by the nation's only satellite broadcaster of hard-core films, Home Dish Only Satellite Network, Inc. Home Dish ceased operation of its American Exxtasy channel and agreed to pay fines of \$150,000 and surrender its film inventory. The Criminal Division also secured additional convictions in Project Post Porn, an operation targeting mail-order distributors of obscenity. In addition, Project Woodworm, a cooperative effort between Federal and state law enforcement officials coordinated by the Criminal Division, conducted investigations of 20 major California-based companies involved in the production and nationwide distribution of obscenity.

General Litigation

General litigation activities within the Department in 1990 ranged from actions involving the 1990 Census to conspiracy to commit murder. As the legal representative of the United States, its departments and agencies, Members of Congress, Cabinet officers, and other Federal employees, the Civil Division defended the Census Bureau and the Commerce Department in litigation involving the 1990 Census where many cities argued that their populations were undercounted and demanded a statistical "correction."

The Criminal Division also pursued a number of noteworthy general litigation activities which yielded successful results.

- Thomas M. Haynie was convicted of interfering with the operation of a satellite as a result of his use of his employer's transmission facilities, the Christian Broadcasting Network, to hinder the authorized satellite transmissions of the Playboy Channel. The prosecution was considered a high priority by the FCC, since the spread of such conduct would threaten the viability of the satellite communications industry.
- Nine present and former officials and residents of The Synanon Foundation, Inc. (The Synanon Church) were convicted of contempt of court or perjury as a result of their plot to obstruct justice during an IRS audit into the tax status of Synanon.
- Seven former members of the cult headed by the late Bhagwan Shree Rajneesh were indicted for conspiracy to murder the U.S. Attorney for the District of Oregon. Five defendants have been arrested in Germany, England, and South Africa, and efforts are underway to extradite them to the United States.

The Office of the Solicitor General promoted the mission of the Department through its representation of the United States before the Supreme Court. Among the Office's significant successes before the Supreme Court were decisions that the Fourth Amendment did not restrict searches of nonresident aliens abroad, that

state authorities could not interfere with the President's direction of National Guard units, that sobriety checkpoints are constitutional, and that states could insist on clear and convincing evidence of the wishes of a patient in a permanent vegetative state before permitting life support systems to be terminated.

Chapter V: National Security

National security issues remained a high priority for the Department in 1990 with particular focus on protecting the Government and the public from terrorist activity, keeping the Government informed of intelligence threats and espionage activities against the United States, and defending the national security interests of the United States in the courts.

Counterterrorism

The Federal Bureau of Investigation (FBI) defines terrorism as the unlawful use of force or violence against persons or property to intimidate or coerce a government, the civilian population, or any segment thereof, in furtherance of political or social objectives. To combat terrorism, quality intelligence must be gathered and acted upon to prevent planned violence from occurring. Counterterrorism investigations are premised upon the fundamental duty of government to protect the public against criminal violence intended to destroy the constitutional system or deny any persons the exercise of their constitutionally guaranteed rights.

Domestic and International Terrorism

The FBI is designated the lead Federal agency for combating terrorism in the United States. Within this mandate is a two-fold mission: to prevent terrorist acts before they occur and, should they occur, mount an effective investigative response. The FBI is also prepared to respond to terrorist acts in progress through the use of Special Weapons and Tactics teams or the Hostage Rescue Team.

The FBI defines two categories of terrorism in the United States.

- **Domestic terrorism involves groups entirely within the United States and whose activities are directed at elements of our Government or population without foreign direction.**
 - **International terrorism involves activity by groups or individuals who are foreign-based and/or directed by countries or groups outside the United States or whose activities transcend national boundaries.**
-

Significant arrests during 1990 involving terrorist activities included a participant in the 1976 assassination of former Chilean Ambassador to the United States Orlando Letelier, three members of the Aryan Nations who possessed components for an explosive device, and four Provisional Irish Republican Army members attempting to obtain a Stinger heat-seeking, surface-to-air missile. In addition, a member of the Abu Nidal Organization was deported to the United States from Venezuela and will be extradited to Israel to stand trial for firebombing a civilian bus.

The Office of Justice Program's National Institute of Justice (NIJ) has been involved in noteworthy research in tactical methods for dealing with terrorist situations. NIJ's Less-Than-Lethal Weapons research seeks to develop weapons that will incapacitate a subject in hostage situations or bring down a fleeing felon when the use of deadly force is not indicated. NIJ is conducting this research jointly with the U.S. Army to meet both safety and immobilization

requirements. NIJ also supports two projects dealing with strategies for hostage negotiations in domestic terrorism. A joint FBI/NIJ study is examining airline hostage situations to develop improved negotiation strategies. Another study examines how communication between hostage takers and law enforcement negotiators may influence the outcomes of hostage situations.

Foreign Counterintelligence

Despite improved United States-Soviet relations and the breakup of the Eastern Bloc, the intelligence threat to the United States continued and, in some instances, increased. Soviet, People's Republic of China, Cuban, and Vietnamese intelligence and espionage activities in the United States remained a threat, while those of the former bloc nations declined. In 1990, the FBI began to more fully assess the threat posed to the United States from non-traditional adversaries. The FBI took steps to realign its foreign counterintelligence (FCI) program in keeping with the changing threat to United States national security interests.

The FBI played a major role in the formulation of the National Counterintelligence and Security Countermeasures strategy for the 1990s. This strategy is articulated in National Security Directive 47 and National Security Review 18, which are blueprints for prioritizing and implementing United States counterintelligence and security countermeasures strategies.

The identification and/or neutralization of individuals who are cooperating with foreign intelligence services by providing them with sensitive or classified information continued to be a high priority of the FCI program. In 1990, two

individuals were arrested on espionage charges with one conviction and one awaiting grand jury action. In addition, two other espionage convictions were handed down during 1990.

With regard to legal issues affecting foreign counter-intelligence activities during 1990, the Office of Intelligence Policy and Review (OIPR) obtained 600 orders approving various forms of electronic surveillance for foreign intelligence purposes, including investigations concerning espionage and international terrorism, from the Foreign Intelligence Surveillance Court. In addition, OIPR visited headquarters and field facilities of agencies engaged in the collection of foreign intelligence and counterintelligence to ensure that these activities are conducted in accordance with relevant guidelines.

National Security Litigation

The Department devoted considerable time and effort during 1990 in defense of actions involving national security and foreign policy matters. Significant work was done by the Civil Division involving several cases challenging Department of State and INS' efforts to bar and remove alien terrorists from the United States. In 1990, the Division secured a favorable appellate judgment sustaining the denial of a visa sought by a terrorist member of the Irish Republican Army. The Civil Division defended challenges to statutes barring admission of alien terrorists and authorizing the summary exclusion of such aliens as well.

The Criminal Division also engaged in a number of significant national security litigation activities.

- Former FBI agent Richard W. Miller was convicted on retrial of espionage on behalf of the

Soviet Union. Miller's previous conviction on these charges had been reversed by the Ninth Circuit.

- A former U.S. Army sergeant was charged with conspiracy to commit espionage on behalf of Hungary in concert with Clyde L. Conrad, who was convicted of espionage by a German court in June 1990.
- Eighty-four defendants were convicted on charges of illegally exporting munitions and strategic commodities to such foreign countries as Iraq, Libya, Iran, South Africa, Colombia, Northern Ireland, Cuba, Bulgaria, and the Soviet Union.

The Environment and Natural Resources Division successfully defended the Government in two major national security cases, arguing that

the environmental impact of each of the cases had been adequately and properly analyzed. One case involved an attempt to block an Army shipment of U.S. chemical munitions from Germany, where the munitions were stored, to a U.S. territory in the Pacific, where they were to be destroyed. The other case involved the defense of the launch of the Galileo space mission, an important solar research project.

During 1990, U.S. Attorneys' Offices filed 47 cases involving matters of national security. In one major case, three defendants were convicted and another pled guilty during the trial. The Government proved that the defendants had conspired to and had unlawfully exported technical information and equipment for use by the Irish Republican Army in order to destroy British helicopters.

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Chapter VI: Prisoner Detention, Handling and Incarceration

Convincing evidence of the accomplishments of the nation's Federal law enforcement and prosecution efforts, especially in the area of drug enforcement, can be seen by the continued growth in the Federal inmate population. The Federal Bureau of Prisons housed over 58,000 inmates by the end of September 1990, while the U.S. Marshals Service had a daily average of 13,390 prisoners in custody during 1990. About half of the total inmate population was incarcerated for drug law violations, and it is expected that this amount will increase to over two-thirds of the total Federal inmate population by 1996. The significant increase in persons under Marshals' custody was also due to the growing number of defendants in drug cases. This ever-increasing inmate population continued to be a major challenge for the Federal Government in its ability to effectively detain, handle and incarcerate offenders.

Pre-Sentencing Activities

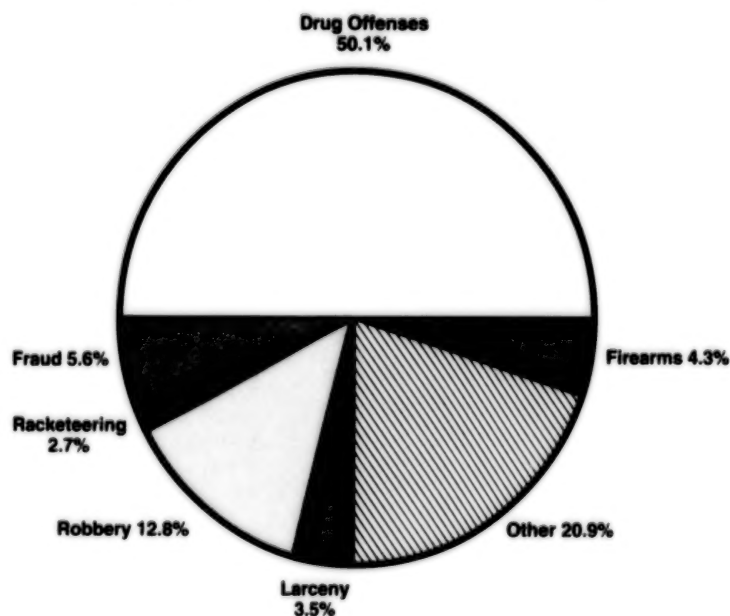
A critical shortage of space in local jails continued to exist throughout the country in 1990 as more jails restricted or terminated space for Federal prisoners in order to maintain jail space for prisoners held under state or local charges. This severe lack of detention space was exacerbated by the growing Federal detainee and prisoner populations. During 1990, the daily average prisoner population in the custody of the U.S. Marshals Service was up 14 percent from the previous year. Also during this time, the criminal alien population increased dramatically within the Bureau of Prisons and Immigration and Naturalization Service, placing additional strains

on the search for appropriate space and services for aliens within Federal custody.

Detention Facilities

The critical need for additional detention space for persons in Federal custody remained a serious concern during 1990 for the Bureau of Prisons (BOP), the Immigration and

**Federal Bureau of Prisons Sentenced Inmates
Types of Offenses - FY 1990**

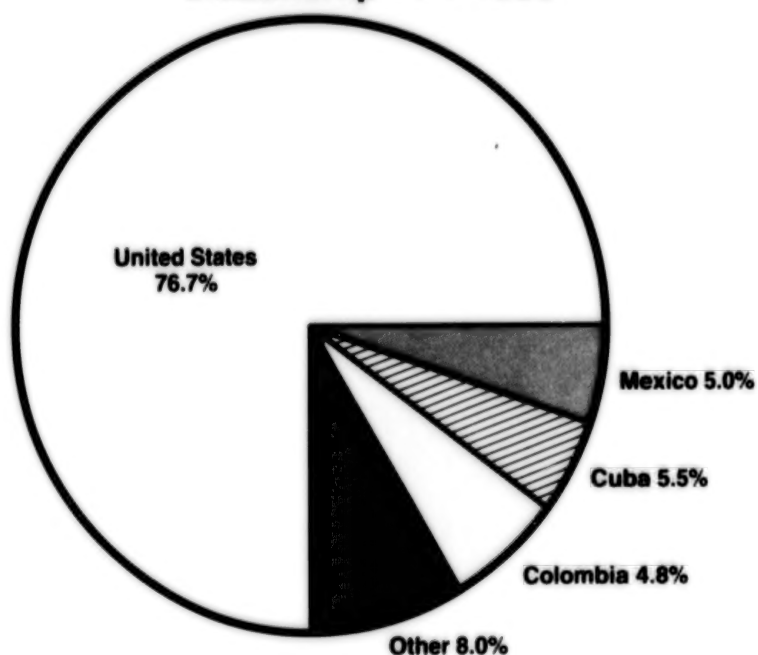


Naturalization Service (INS), and the United States Marshals Service (USMS). To address this concern, these three agencies continued work on a joint task force on detention planning issues. The task force developed a Federal Detention Plan which presents a series of proposals to increase Federal detention space and to expand the Cooperative Agreement Program (CAP) of the Marshals Service. Under CAP, the USMS provides funds to state and local governments for jail construction or renovation in return for guaranteed detention space for Federal prisoners. In 1990, a total of 1,345 detention spaces were acquired under the CAP program, an increase of 137 percent from the previous year.

Another method employed by the USMS to alleviate detention shortages was the operation of the Federal Excess Property Program. This program allows state and local governments to improve jail services by receiving excess Federal property at no cost in exchange for housing Federal prisoners. Excess property valued at more than \$1.8 million was transferred to 80 state and local correctional facilities in 1990 under this program.

By the end of 1990, the BOP confined 4,048 detention cases, with six Bureau facilities used primarily for pretrial detention of the majority of these cases and an additional nine institutions with detention units dedicated to this purpose. The BOP also opened a new facility in Oakdale, Louisiana, which added 300 beds to detention capacity, constructed specifically to hold criminal

Federal Bureau of Prisons Inmate Population Citizenship - FY 1990



aliens. By the end of 1990, BOP had 13,520 criminal and non-criminal aliens in its custody. This number is over 23 percent of the Bureau's population and includes 1,512 Cuban detainees.

Prisoner Handling

In 1990, INS entered into an historic agreement with the Maryland National Guard to have criminal aliens transported by Guard aircraft to expedite the aliens' deportation at no expense to INS. The first flight carried 12 aliens from detention in Baltimore, Maryland, to Miami, Florida, where they were deported via commercial aircraft. Other INS offices are now pursuing



Prisoners are moved aboard the Marshals Service's Boeing 727 jet which is part of the National Prisoner Transportation System. The cost per prisoner movement was \$176 — compared to \$782 by commercial airliner and \$1,235 by air charter.

U.S. Marshals Service Photo

similar agreements with the National Guard in other states. This approach is very cost-effective and military aircraft provides a much more secure environment in which to transport criminal alien detainees.

The National Prisoner Transportation System of the Marshals Service conducted 127,052 prisoner movements in 1990, an increase of 19 percent over the previous year and the largest annual increase in the System's history. Of the

total prisoner movements, more than one-third were by the USMS' jet aircraft, while other movements were by bus and van. When necessary, commercial airliners were utilized at a substantial savings by employing the USMS' centralized ticketing program. The ticketing program saved \$926,000 on these fares and over an additional \$1 million on fares associated with Deputy Marshals traveling on special assignments.

Post-Sentencing Activities

It is the mission of the Federal Bureau of Prisons to protect society by confining offenders in the controlled environments of prison and community-based facilities which are safe, humane, and appropriately secure, and provide work and other self-improvement opportunities to assist offenders in becoming law-abiding citizens. During 1990, the Bureau's inmate population fluctuated between 167 percent and 169 percent over its capacity. Operation at 30 percent over rated capacity is considered manageable and will permit relatively normal institutional operations and a reasonable assurance of safety and security. Efforts to reach this goal by 1995 include expanding existing institutions, acquiring surplus properties for conversion to correctional facilities, constructing new institutions, utilizing contract facilities, and exploring alternative options of confinement for appropriate cases.

System Expansion

To keep pace with the growth of the Federal inmate population and simultaneously reduce overcrowding, the Federal Bureau of Prisons is involved in the largest capacity expansion program in its history. During 1990, the Bureau increased its capacity by 2,512 beds through new facility construction, expansion of existing sites, conversion of military properties, and placing modular housing units at eight facilities. Among the enhancements to the Bureau's correctional facilities was the dedication of two new Federal Correctional Institutions in Fairton, New Jersey, and Jesup, Georgia. Also, the Bureau opened a Federal Deportation Center in Oakdale, Louisiana,

and two Federal prison camps in Tennessee and Nevada. In addition, 37,300 beds have been funded and are in design or under construction.

The expansion of BOP facilities requires a commensurate increase in staff to operate and manage those institutions. During 1990, the Bureau devoted significant resources to the recruitment effort for new staff. The Bureau continued to seek special salary rates in areas and occupations with serious recruitment and retention problems while awaiting the solutions outlined in the legislation stemming from the National Advisory Commission on Law Enforcement. Also, the Bureau's enhancement of its career development program resulted in improved introductory training, career development programs for line staff, accelerated management and supervisory training, and emphasis placed on personalized skills feedback to improve performance and retention and prepare managers for the ongoing massive expansion.

Population Management

During 1990, the Bureau worked on developing a revised designation classification system that will take into account changing offender characteristics and will identify institutions by minimum, low, medium, high, or administrative categories, replacing the former level one through level six numerical system. In addition, the Bureau developed a patient stratification system to ensure assignment of appropriate, cost-efficient levels of care.

The Bureau continued to exchange prisoners with foreign nations who are signatories to the treaty on International Transfer of Offenders. In 1990, eight other nations were involved in such

exchanges -- 72 non-U.S. citizens were returned to other countries and 86 U.S. citizens were returned to complete service of their sentence in the United States.

In an effort to ensure that the needs of inmates are being met appropriately and the BOP is fulfilling that part of its mission to provide programs of self-improvement that prepare inmates for their eventual release into the community, the BOP began a number of new initiatives with regard to female offenders, education, and work programs.

- A female offender program coordinator position was established to ensure that the needs of female offenders in custody are met.
- The mandatory literacy standard was raised from an eighth grade level literacy to a high school diploma (or equivalent), requiring achievement of that standard before assignment to the highest paying institutional jobs.
- Half-day work and half-day education programs were implemented on a pilot basis at 10 institutions.
- Pilot inmate educational and job counseling centers were implemented at 10 institutions, focusing on the inmate's pending prison term, with professional job counseling at each pilot center.

Inmate Financial Responsibility

The Inmate Financial Responsibility Program operated by the BOP, in cooperation with the Administrative Office of the U.S. Courts and the U.S. Attorneys, continued its work through 1990. It is a systematic method of collecting court-

imposed fines, fees, and costs, which heretofore had remained unpaid in many instances. In 1990, the Financial Responsibility Program resulted in more than 17,172 inmates contributing toward satisfying their legal obligations to the Government, and the collection of more than \$13.9 million in fines, court costs, and other obligations.

Federal Prison Industries

Inmate employment is a critical factor in reducing idleness that breeds unrest and violence, and prison industries are the most important employment category in Federal prisons. During 1990, an average of 13,581 inmates were employed at 45 institutions in 80 factories. Sales fell to \$343,726,334, reflecting the Federal Prison Industries' struggle to retain sales in a tight market. While earnings also declined, the Corporation increased inmate employment consistent with its mission. In addition, the gradual phase-in of a new manufacturing management control system, implemented in 1990, will help facilitate reduction in operating costs.

The Bureau also engaged in a major education effort to inform key Members of Congress of the importance of continued support for prison work programs at a time of unprecedented overcrowding. Recent legislative efforts to curtail necessary industrial employment were met with an educational effort that emphasized the diversity of industrial operations and their vital importance to managing severely crowded prisons.

Community Corrections Programs

In the Anti-Drug Abuse Act of 1988, Congress gave specific statutory authority to the U.S. Parole Commission and to the U.S. Courts to impose home detention, which can be monitored by electronic signaling devices, as an alternative to incarceration. This option was extended to parolees, supervised releasees, and probationers, by separate statutory authorities. These laws were a legislative response to the success of the U.S. Parole Commission's Electronic Monitoring Pilot Programs implemented in two districts in California and Florida, in cooperation with the Federal Bureau of Prisons and the Probation Division. During 1990, these electronic monitoring home detention programs were expanded into 12 additional districts. In total, these programs involved an average 50 offenders at any time, and 180 offenders completed such programs.

An innovative program examined during 1990 as a means of reducing the chances of young offenders from having further contact with the criminal justice system, was the Office of Justice Program's (OJP) Shock Incarceration (Boot Camp) Program. This program was demonstrated by OJP's Bureau of Justice Assistance at four sites. The Boot Camps serve as an intermediate sanction between community supervision and prison, and provide a highly-structured, military-type environment for young, nonviolent first offenders. The services provided by the programs include: alcohol and drug treatment and therapy; aftercare programs such as intensive supervision or residential probation and temporary work for offenders when they return to the community; individual, group, and family counseling; job and educational referrals; and relapse prevention sessions. The effectiveness of OJP's Shock Incarceration Program and a number of other similar programs operated by the states are being evaluated by the Department.

Chapter VII: Immigration and Border Control

During 1990, the Immigration and Naturalization Service continued to meet the challenges of immigration reform by focusing its efforts on employer sanctions, aggressive border enforcement and deportation of criminal aliens, and improving immigration services. Of significant importance during this year regarding the implementation of the employer sanctions provisions of the Immigration Reform Act, was the finding of a widespread pattern of discrimination by the General Accounting Office. As a result of this review, the Department acted quickly to implement program changes to better effectuate the intent of the law.

Employer Sanctions

Following several audits issued by the General Accounting Office (GAO) on the employer sanctions provisions of the Immigration Reform and Control Act of 1986 (IRCA), the Department quickly acted upon GAO's finding that implementation of employer sanctions did in fact result in a "widespread pattern" of discrimination. The Attorney General established the Task Force on IRCA-Related Discrimination, as required by the law, in response to the GAO finding, and the Office of Special Counsel immediately accelerated its public information campaign to educate employers and potential victims of discrimination about the specific provisions of the law.

The report to Congress issued by the Task Force on IRCA-Related Discrimination recommended three steps for ameliorating the negative side effects of employer sanctions.

- **Strengthen the enforcement mechanisms of the anti-discrimination provisions.**
 - **Simplify the document verification process.**
 - **Enhance the program to educate the public about the specific provisions of the law.**
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The Immigration and Naturalization Service (INS) followed up on the recommendations of the Task Force with the establishment of interagency working groups to improve coordination between INS and the Department of Labor and between INS and the Office of Special Counsel. As for employer sanctions enforcement, INS continued to encourage voluntary compliance, but intensified its efforts to identify violators. More than 10,000 employer sanctions cases were completed during the year, resulting in an estimated 1,369 warnings and 1,274 Notices of Intent to Fine. Approximately 40 cases involved criminal violations of the employer sanctions provisions and the total amount of fines assessed exceeded \$11 million. Sanctions enforcement also led to the apprehension of 5,174 unauthorized alien workers.

The Office of Special Counsel expanded its public awareness efforts through a large number of on-site presentations to interested community groups and a grant program to qualified community-based organizations likely to reach potential victims. The Special Counsel also developed, published and is distributing 3 million

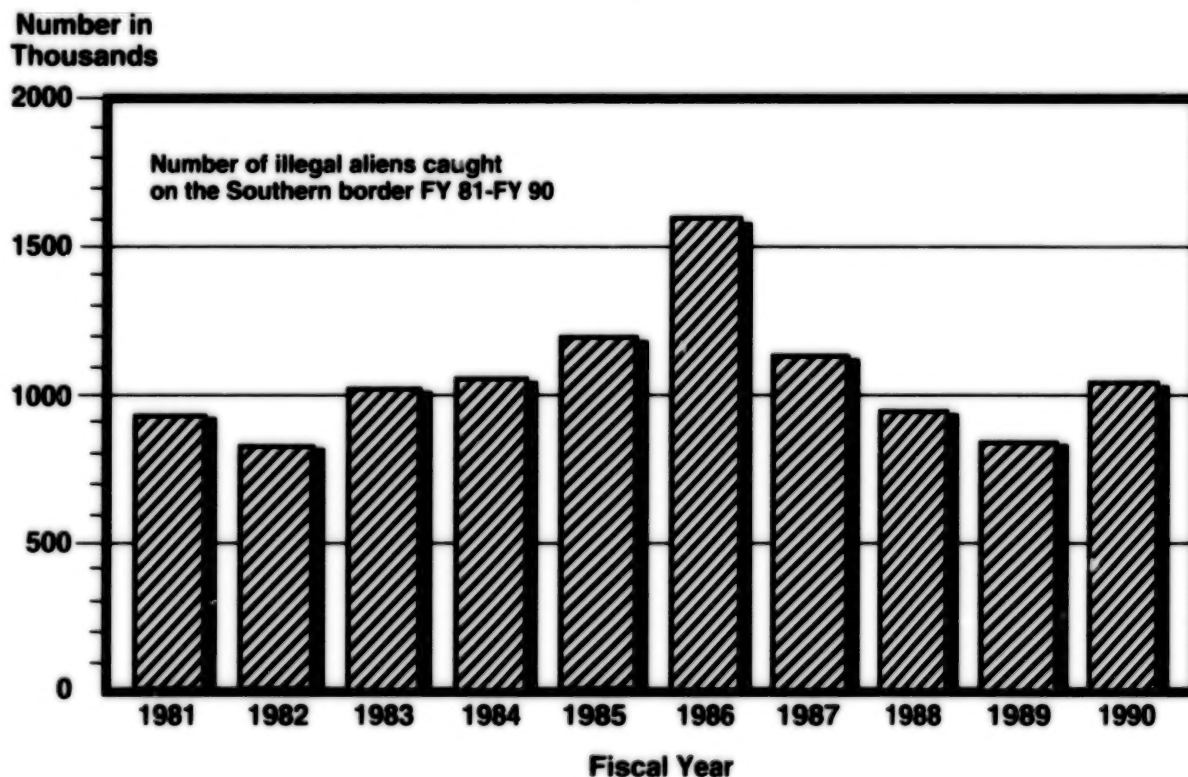
copies of an illustrative booklet, in English and Spanish, that explains how the Special Counsel can help in such cases.

Regarding the continued development of the Department's IRCA-mandated Administrative Law Judge program, the Executive Office of Immigration Review continued usage of Administrative Law Judges borrowed from other Federal agencies to adjudicate caseload. During 1990, Administrative Law Judges rendered decisions in over 500 cases, some following fully litigated hearings, involving the employer sanction and anti-discrimination provisions of IRCA.

Apprehensions and Removals

One of the major objectives of INS' Border Patrol is to deter uncontrolled entry into the interior of the United States by the rapid detection, interception, and apprehension of illegal entrants at or near the border. Surveillance activities conducted by Border Patrol officers to prevent entry or apprehend those who have illegally crossed the borders are supported by computer-monitored electronic ground sensors which alert them to illegal entries. Additional support is provided by observation aircraft, lowlight level television systems and infrared viewing devices.

Border Patrol Apprehensions



An assortment of vehicles adapted to local terrain and operational requirements are also used by Patrol officers.

The Border Patrol apprehended 1,049,362 illegal aliens along the southern border during 1990, an increase of almost 23 percent over the previous year's total. This was the first time in three years that border apprehensions exceeded one million, but the total was still about 35 percent lower than the record level of 1.6 million in 1986. In 1990, the number of Other-than-Mexican apprehensions decreased from 1989, while the number of Mexican nationals apprehended increased during the year.

The primary function of the Anti-Smuggling program of INS is the curtailment and prevention of illegal immigrant population growth in this country by locating, apprehending and prosecuting alien smugglers, and locating and apprehending those deportable aliens using such means to enter this country undetected. During 1990, the efforts of the Anti-Smuggling program focused on the identification, apprehension and prosecution of major alien smuggling organizations, particularly those where a likelihood of conspiracy existed. The program continued to concentrate extensive investigative efforts on broadly diversified smuggling organizations engaged in baby smuggling, providing illegal workers to employers, transporting criminal aliens into the country to participate in drug trafficking and other illegal enterprises, counterfeit document trafficking, and terrorist activities. In efforts against alien smuggling, INS agents completed 2,088 cases, in which 3,368 smugglers were apprehended and 2,698 were presented to U.S. Attorneys for prosecution.



Freight Train Alien Smuggling

Immigration and Naturalization Service Photo

As part of the reinstated Migration Agreement between the United States and Cuba, INS repatriated 142 Mariel Cuban criminals during the year. In other activities related to deportation and exclusion, Immigration inspectors stopped 21,833 travelers at U.S. Ports of Entry who were listed in automated lookouts. They also intercepted over 2,000 subjects of narcotics cases and nearly 11,000 subjects of alien smuggling cases, prosecuted about 16,550 violators of immigration law, and set up almost 11,000 aliens for exclusion proceedings. With regard to other removals, nearly 6,400 criminal aliens convicted of drug-related offenses and 1,845 criminal aliens convicted of other crimes were expelled from the country during 1990.

Immigration Services

Major activities for immigration services provided by INS focused on three areas during 1990: adjudications, naturalization, and employment authorization. With respect to adjudications, INS continued to upgrade its Regional Service Centers in anticipation of assuming a larger role in the adjudications process. As planned, the Centers will ultimately receive all applications and petitions for immigration benefits by mail from individual applicants and petitioners. During the year, INS completed the organizational structure of the Centers and expanded staffing to handle the increased workload. Total receipts exceeded 3.1 million in 1990 and are expected to continue to rise pending immigration reform legislation.

At the request of the Attorney General, INS launched a campaign in 1989 to encourage more resident aliens to become naturalized citizens. As part of this campaign, INS sponsored a nationwide poster/essay contest for school children on "What Being An American Means to Me." The contest drew hundreds of entries from students in grades 1 through 6. The INS Commissioner announced the final winners and presented awards at a special ceremony at the Department in April 1990.

In an attempt to facilitate the documentation process used by aliens to show eligibility for employment, INS developed a two-phase plan to replace the current system that involves many different kinds of paper documents. The first phase was completed in 1990 and involved issuance, in all districts, of a newly-developed, laminated, counterfeit-resistant employment authorization document that includes the alien's photograph and fingerprint.

Soviet Emigration

During 1990, the number of Soviet refugees entering the United States continued to increase, nearly reaching the ceiling of 50,000 refugee numbers established at the beginning of the fiscal year. The majority of these refugees -- approximately 45,000 -- traveled through the Vienna-Rome "pipeline" prior to the pipeline's phase-out in June 1990. The remainder traveled directly to this country from Moscow where all processing of Soviet applications for United States refugee status is now done.

This program will be significantly affected by the refugee processing provisions of the Foreign Operations Appropriations Act enacted in November 1990. The so-called Lautenberg Amendment establishes specific categories of Soviet refugee applicants for special consideration by the United States refugee program: Soviet Jews, Evangelicals, Ukrainian Orthodox, and Ukrainian Catholics. Approval rates for Soviet applicants who qualify under the Lautenberg Amendment are expected to be high in future years.

Chapter VIII: Law Enforcement: Intergovernmental Cooperation and Coordination

The Department has continually recognized the need for effective cooperation and coordination among Federal, state, and local law enforcement communities in the nationwide fight against crime. The Department has promoted its support of this cooperation among all levels of law enforcement in a number of meaningful ways: by supporting state and local operational activities; by providing technical and financial assistance; by offering a wide variety of criminal justice training opportunities; and by generating and sharing new research technologies and knowledge about crime and the criminal justice system.

Operations

During 1990, the Department engaged in a variety of operational activities that provided

support services to state and local law enforcement communities. Those activities covered a wide range of issues, from hate crimes to environmental concerns.

- The Community Relations Service initiated a toll-free telephone hotline for reporting incidents of harassment and hate violence arising out of prejudice based on race, color, or national origin. The President announced the establishment of this hotline at the signing of the Hate Crime Statistics Act.

- The FBI Laboratory continued efforts to implement a national program for forensic deoxyribonucleic acid (DNA) analysis. At the FBI Academy, 120 forensic scientists from crime laboratories nationwide were trained to use the FBI's method for DNA testing. Work began to develop a database system to allow sharing of DNA profiles for convicted sex offenders



Center for Missing and Exploited Children volunteer and CRS employee answer toll-free HATE hotline following a nationwide public service announcement for the hotline on April 30, 1990.

Community Relations Service Photo

between crime laboratories using the FBI method both within states and nationally.

- The FBI Laboratory began Drugfire, a computerized regional firearms evidence clearinghouse operation designed specifically for the purpose of associating drug-related shooting incidents. The association is accomplished by the correlation of detailed forensic information generated by the laboratory examinations of the firearms, fired ammunition components, and unfired ammunition associated with these cases.
- The Immigration and Naturalization Service received support from active duty military and National Guard Units for enforcement activities along the southern border. In El Paso, Texas, the Department of Defense has committed long-term military support for drug enforcement efforts of the Border Patrol and Operation Alliance.
- Over 70 percent of all Organized Crime Drug Enforcement Task Force Investigations involved intergovernmental operations between the Federal Government and one or more state/local governments.
- The DEA State and Local Task Force Program celebrated its 20th anniversary in 1990. With an investment of approximately 9 percent of the Drug Enforcement Administration's (DEA) agent resources, the task forces produced about 27 percent of DEA's highest level drug case arrests, 31 percent of DEA's total arrests, and 22 percent of DEA's total asset seizures. In support of this program, DEA conducted 311 schools for 32,224 state, local, and other Federal law enforcement officers and participated in producing television segments providing drug law enforcement training.

- The Environment and Natural Resources Division chaired the National Environmental Enforcement Council, composed of local, state, and Federal law enforcement officers to further cooperation and coordination on issues of mutual concern. This year the Council considered new initiatives on oil spills and Clean Air Act implementation.

The U.S. Attorneys' Offices nationwide promoted coordination and cooperation among all Federal, state, and local law enforcement agencies through the Law Enforcement Coordinating Committees (LECC) in each district. Many LECCs have subcommittees dealing with specific topics such as financial institution fraud, asset forfeiture, gangs, obscenity, environmental crime, or narcotics. In addition, U.S. Attorneys' Offices participated in joint Federal, state, and local task forces. These task forces were instrumental in intelligence-sharing, saving law enforcement agencies much time and money.

As a result of the U.S. Attorneys' Offices' participation in joint Federal, state, and local task forces, a Federal grand jury in the Western District of Texas returned 29 indictments charging, among other things, the unlawful acquisition of food stamps in exchange for crack cocaine and the distribution of crack cocaine within 1,000 feet of a school. The indictments, along with 26 at the state level, are part of Operation Cooperation, a joint law enforcement effort focusing on individuals and businesses in Temple and Killeen, Texas, involved in trafficking in food stamps for narcotics and cash.

Technical Assistance

The FBI's National Crime Information Center (NCIC) demonstrated the feasibility of taking a single fingerprint from a police car and transmitting that data over police radios to the NCIC system which advises the officer, in a matter of seconds, as to whether or not the individual in question is a wanted felon; if the suspect is, the officer receives a copy of the mug shot and the fingerprint in the police car. This and other capabilities demonstrated in Delaware, Colorado and California, generated user enthusiasm and led to action by the users to have money appropriated for NCIC 2000. The NCIC 2000 system additionally provides increased functionality to users, advanced security and privacy protection, and contains analytical tools to assist law enforcement officers in the early identification of organized criminal activities.

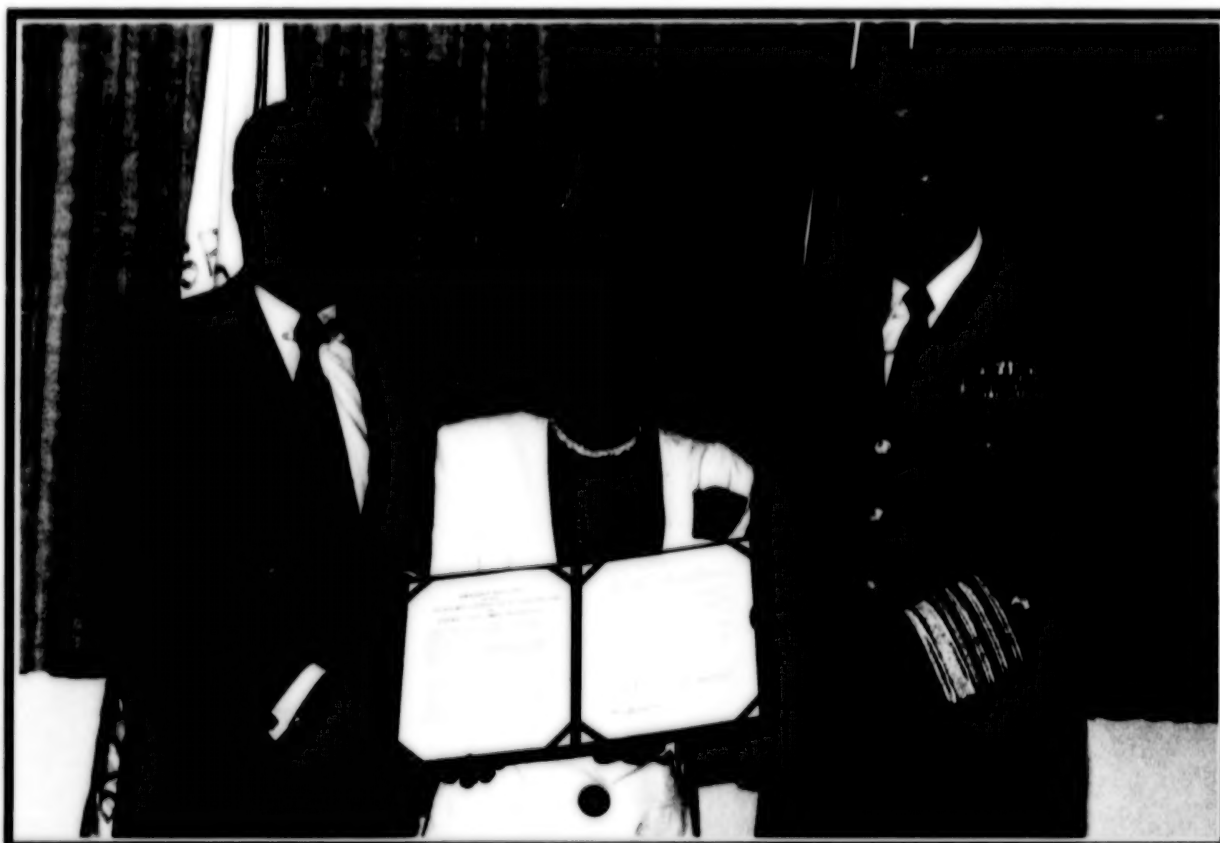
With regard to the FBI's fingerprint operations during the year, the Identification Division received over 11 million fingerprint cards and other types of mail. Nearly 20 million name checks were received via magnetic tape and the Interstate Identification Index. The Latent Fingerprint Section handled 12,557 cases which involved the examination of 198,495 specimens, resulting in 3,605,042 comparisons. Over 2,000 suspects and 53 deceased individuals were identified as a result of these comparisons. Additionally, court appearances by Latent Fingerprint Specialists resulted in convictions carrying prison sentences, life terms, death sentences, and fines totaling nearly \$2 million.

In other areas of technical assistance offered by the FBI, the Crisis Response Team provided critical communications support to St. Croix, U.S.

Virgin Islands, after Hurricane Hugo devastated the island. Also, the Uniform Crime Reports Section advanced implementation of the National Incident-Based Reporting System to include 30 of the 50 states, and expanded the crimes Index to 22 broad categories of offenses against persons, property, and society on an incident-by-incident basis. This fully modernized and automated law enforcement information system will provide unprecedented operational and administrative capabilities to all levels of the nation's law enforcement community.

The INTERPOL-U.S. National Central Bureau (USNCB) serves as a critical vehicle through which U.S. police agencies pursue international investigative leads with the international law enforcement community. An important enhancement in 1990 to USNCB's pool of information resources, was the full implementation of its State Liaison Program. This program aids U.S. police at the state and local level in their pursuit of international criminal investigative leads and streamlines the USNCB's ability to respond to foreign requests by designating a specific point within each state to act on behalf of the USNCB. In 1990, approximately 2,170 cases were initiated at the USNCB as a result of requests for information and/or assistance from state and local police.

In another example of technical assistance provided by the Department, the Community Relations Service (CRS) signed a Memorandum of Understanding with the U.S. Coast Guard under which the two entities will work together with communities throughout the country to help ensure tranquil assimilation of Coast Guard Service members of all races, colors, and national origins into the areas where they are assigned.



On July 18, 1990, the Community Relations Service and the U.S. Coast Guard signed a Memorandum of Understanding to cooperate with communities nationwide in the assimilation of Coast Guard members of all races, color and national origins.

Community Relations Service Photo

The CRS/Coast Guard agreement is expected to serve as a racial tension reduction model for other branches of the Armed Services.

Funding

Much of the Department's direct financial support for justice activities was channeled through the Office of Justice Programs (OJP). During 1990, OJP's Office for Victims of Crime (OVC) awarded \$46.8 million to 44 states to support their crime victim compensation programs and \$64.8 million to 57 states and territories to

support programs that provide direct assistance to crime victims and their families. The OVC also allocated \$100,000 to the Executive Office for U.S. Attorneys to be used, with OVC approval, to provide emergency services to Federal victims when no other services exist. In addition, OVC provided a total of \$2.4 million to states to support the development of programs to assist Federal victims of crime belonging to federally recognized native American Indian tribes.

OJP's Bureau of Justice Assistance awarded formula grants to the states totaling more than \$395 million in 1990 to implement their

coordinated state drug control strategies. As a result of this assistance, there was a significant increase in the participation of state and local law enforcement agencies in drug control activities.

OJP's Bureau of Justice Assistance (BJA) and the Bureau of Justice Statistics (BJS) jointly initiated a three-year \$27 million program to improve state criminal history records and enhance capabilities to stop firearms sales to convicted felons. This program provides critical assistance and support to state and local governments to make systemic improvements in the data quality and timeliness of state criminal history record information systems. The BJS made 18 awards to states in 1990 under this program.

In another financial support service provided by the Department, the Organized Crime Drug Enforcement Task Force (OCDETF) Program assisted state and local agencies by providing financial resources to pay for officer overtime and limited operational expenses. Although a limited resource, the state/local OCDETF fund enabled many police departments to make major contributions to the drug control effort which would have been otherwise impossible.

Training

The Department sponsored training efforts covering a wide range of criminal justice issues during 1990. Participants in these programs came from Federal, state, and local law enforcement communities. To promote and develop cooperation and coordination with state and local law enforcement, U.S. Attorneys' Offices provided affordable training seminars through its Law Enforcement Coordinating Committees

(LECC) nationwide. The LECCs developed courses using Federal experts from all agencies and offered training at each district -- often at no cost to participating agencies.

LECC district offices provide training on specialized topics, such as those listed below, to state and local law enforcement communities.

- **Multiple Employer Welfare Arrangements**
 - **Crack Cocaine**
 - **Gangs**
 - **Air Smuggling**
 - **Drug Interdiction**
 - **Bank Robbery Protocol**
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During 1990, 858 local law enforcement officers graduated from the FBI National Academy program while thousands more participated in other training programs offered at the Academy. The FBI's Center for Narcotics Related Financial Investigations trained over 700 officers during the year, and the Bureau's Legal Counsel Division provided legal instruction to FBI Special Agents, Drug Enforcement Administration (DEA) Basic Agents, DEA Diversion Investigators and DEA Intelligence Analysts. The Legal Counsel Division also provided legal training to FBI supervisors and managers, and participated in specialized In-Service training classes at the FBI Academy for Special Agent attorneys.

As part of the FBI's forensic science training program in 1990, the Forensic Science Research and Training Center (FSRTC) provided forensic

training to hundreds of FBI New Agents, DEA Basic Agents, FBI Agents in specialized In-Services, National Academy students, while 1,509 students received specialized scientific and forensic support instruction. The FSRTC also designed and put on one class for Philippine law enforcement officials and conducted 17 road schools.

During 1990, the United States Marshals Service (USMS) Training Academy in Glynnco, Georgia, trained 320 state and local law enforcement officers in the areas of Asset Seizure and Forfeiture, Court Security, Fugitive Investigations and Witness Security. In addition, the USMS' Special Operations Group Training Center at Camp Beauregard, Louisiana, trained over 200 law enforcement officers from various foreign countries under the sponsorship of the State Department's Anti-Terrorism Assistance Program.

In other training efforts, the Community Relations Service (CRS), in conjunction with the Department of Health and Human Services, conducted workshops across the country to address problems related to the successful resettlement of refugees. CRS also worked with the Uniform Crime Reports Unit of the FBI to develop a model training curriculum on recognizing, responding to, and reporting hate crime. This model will be distributed to 16,000 law enforcement entities that participate in the Uniform Crime Report. In addition, CRS implemented the following joint training programs with the LECCs to address specific concerns at individual districts:

- trained 500 members of state and local police in techniques for responding to racial conflict in schools in the Northern District of Alabama;

- trained Virgin Islands police in responding to racial conflict in the aftermath of Hurricane Hugo; and

- presented a series of panels on response to hate crime at national conferences of the International Association of Police Community Relations Officers, the National Organization of Black Law Enforcement Executives, and the National Black Police Association.

Training sessions initiated by the Office of Justice Programs (OJP) benefitted law enforcement personnel nationwide on a variety of criminal justice issues. OJP's Bureau of Justice Assistance (BJA) supported a training program on the effective use of state civil RICO statutes as a litigation tool to interrupt illicit drug trafficking enterprises. Another BJA program provided training to state and local officials on the effective use of their state asset seizure and forfeiture statutes.

Research

Important advancements were made by the Department in 1990 regarding new research technologies in support of the nation's aggressive law enforcement activities. The FBI Laboratory's research into computer graphics enhanced the Bureau's ability to identify missing children and fugitives, improve the accurate reconstruction of homemade bombs, speed up and improve the sketching of crime scenes, improve demonstrative evidence for courtroom presentation, and allow reconstruction of facial features from skulls of unidentified skeletal remains. The Video Support Unit of the Laboratory Division continued to

improve ways to reconstruct images from video tapes recovered from crime scenes and disasters. The FBI Laboratory is the only source of this type of technical expertise.

To expand criminal justice capabilities for detecting drug use, OJP's National Institute of Justice (NIJ) initiated a research program for development and evaluation of hair analysis tests. NIJ is collaborating with a number of other agencies in an effort to establish testing standards for this procedure. In other research, NIJ continued to examine methods for simplifying the use and reducing the cost of the DNA "fingerprint." NIJ research has shown that DNA analysis of hair, blood, and semen can increase precision in identifying offenders and exonerating innocent suspects.

The Drug Data Center, operated by OJP's Bureau of Justice Statistics (BJS), assisted in the development of an extensive report on high intensity drug trafficking areas for inclusion in the President's 1990 strategy and a technical assessment of four major drug data clearing-houses conducted by the Office of National Drug Control Policy. In addition, BJS published a comprehensive, statutorily required *Report to the Attorney General on Systems for Identifying Felons Who Attempt to Purchase Firearms*. The report describes a system for the immediate accurate identification of felons who attempt to purchase firearms, and additional contracts have been awarded to expand the study to include persons, other than felons, ineligible to purchase firearms.

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Chapter IX: International Cooperation

Recognizing the need to expand our law enforcement activities beyond the borders of the United States in order to combat international crime effectively, the Department continued to build on its foundation of cooperation and coordination with nations worldwide. To this end, the Department aggressively pursued international treaties and agreements; participated in joint enforcement operations, especially with regard to drug trafficking and money laundering; brought international fugitives to justice; and provided training and technical assistance to foreign countries.

Treaties and Agreements

During 1990 the Department worked successfully with a number of foreign governments to secure binding treaties and agreements on important issues of international concern. The Criminal Division brought into force and implemented new Mutual Legal Assistance treaties with the Bahamas, Canada, the Caymans, and the Turks and Caicos Islands that will facilitate the exchange of evidence, including access to foreign bank records. Ratification of similar treaties was also secured with Mexico, Belgium, and Thailand. The United States also signed a new extradition treaty with the Bahamas and an agreement relating to the disposition of forfeitable drug proceeds with Hong Kong.

With regard to environmental issues, the Environment and Natural Resources Division brought the first cases in the United States, and probably the world, to enforce domestic obligations under the Montreal Protocol on Substances that Deplete the Ozone Layer. The

Division also helped develop legislative proposals to implement the Basel Convention on the Control of Transboundary Movement of Hazardous Wastes and their Disposal.

The Tax Division also made progress on a number of international fronts in 1990. For example, as part of the President's Andean Summit in February 1990, the Tax Division and the Treasury Department successfully negotiated a Tax Information Exchange Agreement (TIEA) with Peru. Substantial progress towards TIEAs was also made with the Bahamas, El Salvador, Honduras, Mexico, and Trinidad and Tobago. These agreements will be helpful not only in preventing tax evasion, but also in waging the war against drugs.

In January 1990, a far-reaching agreement between the Soviet Central Board of the State Customs Control and the Drug Enforcement Administration (DEA) was signed. It contains provisions for mutual exchange of information concerning narcotics traffickers and distribution routes, shipments of precursor and essential chemicals, cooperation regarding controlled deliveries and witness or expert testimony, participation in cooperative narcotic law enforcement training, and the exchange of scientific publications and technical expertise.

Drug Enforcement Operations

The Department devoted considerable time in 1990 to strengthening cooperative law enforcement efforts with numerous international communities in Mexico, Central and South America, the Caribbean, Western Europe, the Soviet Union and Asia, to curb the flow of illicit drugs to the United States and eliminate illegal drug operations.

Latin American and Caribbean Activities

Reduction of the supply of illicit cocaine into the United States is the primary objective of one of the Drug Enforcement Administration's (DEA) most significant endeavors -- Operation Snowcap. As such, Snowcap teams serve as Counter-narcotics Law Enforcement Advisors to host-country police in Bolivia and Peru. A Task Force of 25 DEA, Border Patrol, and Coast Guard law enforcement agents operate as advisors in central Bolivia. During the year, Snowcap teams, working in conjunction with the Rural Police and the Bolivian Air Force and Navy, destroyed 25 major cocaine base and cocaine hydrochloride laboratories, seizing more than 11,000 kilograms of illicit coca products, and arresting 200 drug traffickers and laboratory operators. The Snowcap Strategy is expanding beyond Bolivia and Peru to possibly include Argentina, Guatemala, Mexico and Venezuela.

Meanwhile, Operation BAT activities throughout the Bahamas' importation corridor were responsible for the seizure of over 3,500 kilograms of cocaine. Operation BAT involves the cooperation of the United States with the governments of the Bahamas and Turks and Caicos Islands to disrupt the flow of illegal drugs within that area.

The Department's participation in international law enforcement operations was instrumental in two significant cases involving extremely high-level foreign government officials. In December 1989, the Government of Bolivia, in an unprecedented move, expelled former Minister of Interior Luis Arce-Gomez to Miami. Arce-Gomez stands accused of two conspiracy counts of importation and possession of cocaine and is pending trial in the Southern District of Florida.

General Manuel Antonio Noriega was returned to the Southern District of Florida as a result of Operation Just Cause to face numerous drug-related charges that include entering into a business relationship with, and thereby allegedly protecting, the Medellin Cartel.

Other International Enforcement

In other international enforcement activities, pursuant to information provided by the DEA, Korean authorities arrested seven suspects and seized a methamphetamine "Ice" clandestine laboratory in Kyongham Province, Korea. This was the first classic use of international cooperation in Korea where DEA was able to immobilize the Korean manufacturer, the Korean smugglers, and the United States distributor. Also in 1990, the Laos People's Democratic Republic and the United States signed a Memorandum of Understanding providing for bilateral narcotics cooperation.

The Drug Enforcement Administration, in cooperation with European counterparts, was instrumental in freezing approximately \$70 million in trafficker assets from a cell of a major Colombian cocaine organization. Also, based on leads provided by Colombian authorities, \$203 million of Cali and Medellin drug proceeds were seized in bank accounts in Western Europe, the United States, Panama, and Colombia, to include the freezing of over \$100 million in assets from the organization of the now deceased Gonzalo Rodriguez-Gacha.

Money Laundering

For the first time, the Department shared the forfeitable proceeds of drug trafficking with foreign countries. Both Canada and Switzerland assisted the Operation POLAR CAP investigation by freezing assets in each country belonging to Banco de Occidente, which was laundering money for drug traffickers. After the bank entered a guilty plea to money laundering charges and agreed to forfeit \$5 million, the Attorney General was able to provide \$1 million to each country. This was a major step in international cooperation and has triggered increased interest among foreign countries and U.S. Attorneys' Offices in effecting international forfeitures. Another strike against international money laundering schemes was made with an asset-sharing agreement that was signed with Colombia to provide information seized in operations against Cartel money launderers.

During 1990, the Department also participated actively in two international task forces. The Financial Action Task Force (FATF) was convened at the direction of the G-7 countries -- the seven leading industrial nations: the United States, United Kingdom, France, Germany, Italy, Japan, and Canada -- to combat money laundering and to enhance international cooperation in enforcement efforts against this crime. The Caribbean Action Task Force, a follow-up to the FATF, focused on combating drug trafficking and money laundering and providing for expanded asset forfeiture mechanisms specifically tailored to meet the needs of the Caribbean and Central American region.

Fugitive Apprehension and Extradition

Drug defendants who flee the venue and jurisdiction of the U.S. Courts often become international drug fugitives by leaving the United States to avoid prosecution. The likelihood of these fugitives eventually having contact with a foreign police force is very real; however, their status as U.S. fugitives is not known to foreign police. Recognizing this shortcoming, the INTERPOL-U.S. National Central Bureau (USNCB), in cooperation with the DEA, began in 1990 to record drug fugitives within the INTERPOL network by utilizing the INTERPOL system of notices. The purpose is to alert police forces of the 153 member countries to the existence of drug-related criminal offenders in the United States. In addition, USNCB is registering drug fugitives with a "Lookout" posted in countries to which the criminal may travel.

During 1990, the Criminal Division was responsible for securing the extradition of a significant number of international fugitives. The Criminal Division secured the extradition of 24 Colombian drug traffickers from Colombia. This was notable because, in 1987, our extradition treaty with Colombia was declared unconstitutional by Colombia. For two years, no extraditions were possible. Then, in August 1989, under the terms of an emergency decree by the Government of Colombia, extradition relations were renewed.

The Criminal Division also extradited a fugitive from Mexico wanted in California for violation of U.S. Federal narcotics law. This was the second time in this century that Mexico agreed to extradite a fugitive to the United States.

In another case, three of the four defendants in the \$10 million Dupont extortion scam in the District of Delaware were extradited from Switzerland, and a former DEA agent wanted in the Central District of California for drug trafficking, theft of drugs, money laundering, and other crimes was extradited from Luxembourg. Additionally, the United States extradited to Switzerland three fugitives sought in connection with a major art theft of two dozen priceless paintings from a private gallery in Zurich.

Throughout 1990, the U.S. Marshals Service (USMS) continued to serve as a point of coordination for international fugitive investigations. During the year, 508 new international investigations were opened by the Service. This includes 364 cases initiated by USMS, 115 cases by INTERPOL, and 29 inquiries from other law enforcement agencies. The Marshals Service also received 275 requests for international removals either by extradition, deportation, or expulsion. By the end of the year, 230 of these fugitives were returned.

The USMS Special Operations Group (SOG) took part in over 30 special assignments and major operational details during the year. Among these was "Operation Just Cause" in which members of SOG were called upon to support the United States military and the DEA in their efforts in Panama to identify and bring to justice drug fugitives wanted in the United States. During the course of the mission, USMS personnel assisted in bringing former Panamanian dictator Manuel Noriega to the United States to stand trial for drug trafficking.

Other International Activities

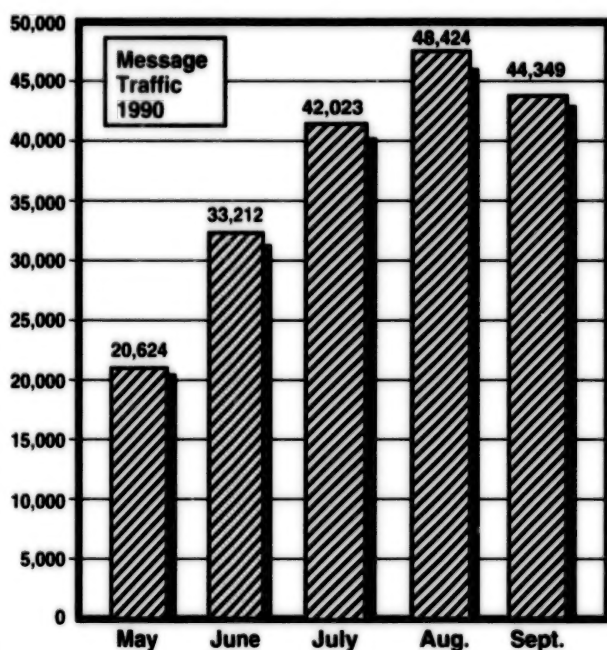
Other cooperative international activities included training assistance, exchanges of information within world-wide criminal justice communities, foreign claims matters, and liaison relationships to meet the challenge of increased international crime.

With regard to training assistance offered to international law enforcement communities, the FBI continued its training project for Mexican State Judicial Police. Basic training in crime scene search, case management, drug investigative techniques, and officer safety have been provided to Mexican State Judicial Police. In addition, at the European International Association of Chiefs of Police Executive Conference held in Lisbon, Portugal, the FBI made presentations on "Policing without Borders" and "Terrorism."

The Drug Enforcement Administration conducted 42 schools in drug enforcement technology for over 1,300 foreign police officers in 33 countries during 1990. In addition, DEA trained 312 foreign police managers and chemists at the International Narcotic Enforcement Managers seminars. DEA also conducted the first training program in Russia for 31 foreign officials.

An example of the Department's success in other collaborative international law enforcement programs is the involvement of the FBI in the Italian American Working Group (IAWG). Through this program the FBI continued to facilitate the exchange of intelligence information, utilize a reciprocal training program, and an FBI exchange of investigative personnel. The FBI's participation in the IAWG and its longstanding relationship with Italian law enforcement agencies

INTERPOL United States - Canada Interface



have enhanced the FBI's Racketeering Enterprise Investigative Program directed at the Italian-based Sicilian Mafia, Camorra and the 'Ndrangheta criminal organizations.

In cooperation with Canada, full implementation of the INTERPOL U.S./Canadian Interface was completed during 1990. Known as the Canadian Interface Project, the system is a semi-automated link between law enforcement information networks of the United States and Canada. The project allows the police of both countries to query each other's law enforcement

information networks. On-line since May 1990, the interface is available to all states on a 24-hour basis.

Another important communications link for the American police community was accomplished with the inauguration of the INTERPOL Caribbean/Central American Telecommunications Network early in 1990. The network connects, for the first time ever, the police of more than 30 countries in the Caribbean/Central American Region. This communications capability is particularly significant in view of the importance of the Caribbean/Central American region in drug trafficking investigations.

Significant progress was made by the Foreign Claims Settlement Commission during 1990 regarding the adjudication of some 3,100 U.S. nationals' property claims against the Iranian government for property losses arising out of the 1979 Iranian revolution. Following the conclusion of a settlement agreement between the United States and Iran, jurisdiction was conferred on the Commission to begin adjudication of the claims. A fund of \$50 million was established in the U.S. Treasury out of which the awards granted in the claims will be paid. In addition, the Commission completed the issuance of decisions on some 100 property claims of U.S. nationals against the Arab Republic of Egypt.

In 1990, the Department provided support for U.S. trade negotiators in the U.S.-Japan Structural Impediments Initiative (SII) talks, in which antitrust enforcement in Japan emerged as an important issue. The resulting SII Joint Report contained significant commitments by the Japanese government to strengthen antitrust enforcement, thus creating better market access

for American firms doing business in Japan. The Department also played a critical role in the Administration's initiative to support Eastern European countries in the development and implementation of antitrust and privatization programs. As the newly-democratic governments of Eastern Europe seek to redirect their economies away from state-controlled regimes, they have recognized that sound competition policy will be crucial to ensuring the maintenance of an efficient market-based economy.

In an effort to enhance the liaison relationship between the United States and Mexico, the Attorney General's Advocacy Institute helped coordinate the Binational Prosecutors Conference,

held in Mexico City, Mexico, in March 1990. This conference was held at the direction of Attorney General Thornburgh and Dr. Enrique Alvariz Del Castillo, Attorney General of the Republic of Mexico, to create an educational experience for representatives from both countries to learn the criminal procedures of each country. Other consultations with representatives of the Mexican government, regarding immigration issues, have resulted in greater binational cooperation on problems such as deportation of third country nationals, illegal migration through Mexico to the United States, fraudulent documents, and border violence.

Chapter X: Legislative and Regulatory Activities

There were three major aspects to the Department's legislative and regulatory activities. First, the Department worked with Congress on legislative enactments related to the administration of justice.

Second, Department components developed and executed plans for the effective implementation of laws, regulations and guidelines. Lastly, the Department aggressively promoted a number of the President's initiatives to Congress.

New Legislation Including Appropriations

One of the Department's major legislative accomplishments in 1990 was the enactment of appropriations that largely met the goal of the President to apply substantial new resources to implement the war on illegal drugs and to address violent criminal activity. In response to the drug crisis and the associated violence, the Justice Appropriations Act was supplemented by additional drug resources through the Department of Transportation Appropriations Act. In addition, the President's amended 1990 budget request substantially fulfilled his campaign promise to double bedspace within the Federal Prison System. The 1990 appropriations process was also used to authorize payments to persons of Japanese ancestry interned during World War II beginning in 1991 and to establish several new fees to help finance the Department's ongoing functions.

With respect to new legislation, Department components were instrumental in obtaining several significant legislative enactments in 1990.

Most notable was the passage of the Americans with Disabilities Act.

"The Americans with Disabilities Act will end unjustified segregation and exclusion of persons with disabilities from the mainstream of American life. It promises to the over forty million persons with disabilities in this country access to all aspects of daily life — employment opportunities, government services, transportation, telephone services, and hundreds of thousands of places of public accommodation."

**Attorney General
Dick Thornburgh
July 13, 1990**

The general provisions of these new laws follow below.

- The Hate Crime Statistics Act, Public Law 101-275, provides for the acquisition and publication of data about crimes that manifest prejudice based on race, religion, sexual orientation, or ethnicity.
- The Americans with Disabilities Act, Public Law 101-336, establishes a clear and comprehensive prohibition of discrimination on the basis of disability.
- The Oil Pollution Act of 1990, Public Law 101-380, establishes limitations on liability for damages resulting from oil pollution, creates a fund for the payment of compensation for such damages, and other purposes.



President George Bush signing the "Americans with Disabilities Act," July 26, 1990.

White House Photo

Implementation of Laws, Regulations and Guidelines

During 1990, the Department responded to new and existing legislation, regulations and guidelines by developing and implementing appropriate actions for effective execution.

With the passage of two major civil rights bills -- the Hate Crime Statistics Act and the Americans with Disabilities Act -- considerable effort was put into designing implementation processes for both. During the year, the Civil Rights Division and the FBI worked closely to ensure effective implementation of the Hate Crimes Statistics Act. Beginning in January 1991, the FBI will collect data about crimes manifesting evidence of prejudice based on race, religion, sexual orientation, or ethnicity. The comprehensive reporting of such crimes by local law enforcement agencies to the FBI will lead to a more effective law enforcement response at local, state and Federal levels.

With regard to the Americans with Disabilities Act, the Attorney General established an Office on the Americans with Disabilities Act within the Civil Rights Division to draft implementing regulations and to develop a governmentwide plan for providing technical assistance to entities subject to the Act's provisions.

In other civil rights matters, the Office of Redress Administration, established to implement the Civil Liberties Act of 1988, completed verifying 25,000 individuals of Japanese ancestry during 1990 who are entitled to payments of \$20,000 because of their internment during World War II. Actual payments began after October 1, 1990, when funding became available.

During 1990, the Environment and Natural Resources Division worked on developing a

Presidential Executive Order to implement the comprehensive oil pollution legislation. The Order emphasizes coordination of oil spill response and enforcement. The Division also continued its consultation with Federal agencies to assure their compliance with Executive Order No. 12630, which directs them to consider the impacts of their policies on private property rights protected by the Fifth Amendment to the Constitution.

In January 1990, the FBI implemented a new Federal User-Fee Program. This program, authorized in the 1990 Appropriations Act, permitted the FBI to establish and collect fees to process fingerprint identification records and name checks for noncriminal justice, non-law enforcement employment and licensing purposes, and for certain employees of private sector contractors with classified Government contracts. The 1990 Appropriations Act also increased the fee for processing of certain non-Federal applicant fingerprint cards. A total of \$4,742,112 was collected through the implementation of this surcharge. A total of 1,365,720 revenue-producing fingerprint cards were processed through this program resulting in funds amounting to \$22,576,016.

The new asylum regulation, signed in July 1990, ended 10 years of asylum adjudication under interim regulations and made a number of significant changes. Effective with the beginning of FY 1991, the new rule establishes a specialized corps of Asylum Officers, shifts the decision authority from INS District Directors to the Asylum Officer Corps, and calls for the development of an enhanced training program and the establishment of a refugee documentation center.

In 1990, the Civil Division continued to play a critical role in providing legal and technical advice in the implementation of Executive Order 12564 mandating a drug-free Federal workplace and in litigating numerous lawsuits arising from implementation of the Order. The Civil Division also played a significant part in the upholding of regulations issued by the Secretary of Transportation requiring drug testing of private sector employees in the transportation industry.

Ongoing Legislative Initiatives

The Department actively pursued ongoing legislative initiatives on a wide range of legal issues. During 1990, the Department devoted considerable effort to obtaining new legislation on crime control, Federal pay reform, antitrust amendments, immigration reform, civil justice reform, and amendments to the Clean Air Act, which were ultimately enacted early on in FY 1991.

In other continuing legislative initiatives, the Antitrust Division made substantial progress on legislation to reduce unwarranted antitrust uncertainty regarding joint production ventures that received wide bipartisan support. The

Criminal Division, on the other hand, presented support for the President's death penalty and habeas corpus reform bills and, although they were not passed, the Department's efforts were instrumental in blocking passage of bills that would have impeded the states' ability to impose and carry out their capital punishment provisions.

The Civil Division provided staff support to implement the President's initiatives to enhance the ability of Americans to volunteer without fear of an excessive chilling effect from litigation. The Civil Division drafted the Model State Volunteer Service Act and Commentary in close coordination with other interested offices and will assist in seeking its enactment in 1991. The Civil Division also is defending approximately 4,000 suits in the U.S. Claims Court pursuant to the Vaccine Injury Compensation Program, a novel approach which allows individuals who were injured by specified childhood vaccines to sue the government, rather than the manufacturer or doctor. In addition, the Division is developing regulations to implement the Radiation Exposure Compensation Act, which provides compensation to victims of the uranium mining and atmospheric testing of nuclear weapons that the United States conducted in the 1950s and 1960s.

Chapter XI:

Management Improvements

The 1990 fiscal year continued to be a challenge for Department of Justice managers as limited resources, a changing workforce, growing complexities of issues and relationships, and new responsibilities placed stronger demands on management to use resources wisely while improving quality and productivity. Department managers met this challenge by taking innovative steps to implement quality management within their operations.

Quality and Productivity

During 1990, the Department reasserted its overall commitment to continuous improvement, innovation, and a striving for better, more cost-effective ways of accomplishing the Department's mission. Program managers throughout the Department initiated management improvements that exemplify the benefits of this management approach. The following are highlights of Department component efforts to work within limited resources while trying to improve the quality of the Department's products and services.

Asset Seizure and Forfeiture Program

The seizure and forfeiture of assets obtained with the proceeds from criminal activity continues to be a major element of the Department's efforts to control illegal drug trafficking. Recognizing the importance of the effectiveness of this program, several quality improvements were implemented during 1990.

Following a comprehensive study of the Asset Forfeiture Program's information needs and existing information management capabilities, a

project was chartered to design, develop, and implement a single, integrated information system. The new system will provide accurate, timely, and complete information on the history and status of individual assets, and on the execution of each of the numerous aspects of the forfeiture process. The project is proceeding on an aggressive 30-month schedule with nationwide implementation in the headquarters and field offices of the nine organizations participating in the Justice Assets Forfeiture Fund, targeted for April 1993.

The Drug Enforcement Administration (DEA) implemented quality improvements with respect to its asset removal operations. During 1990, DEA saw a tremendous increase in seizures requiring a commensurate level of effort for asset removal. By August 1990, DEA had already realized a \$29 million increase in seizures compared to that in 1989, and some smaller divisions had doubled and tripled their seizures. Previously, asset removal efforts in most divisions had been performed as collateral duties of the Intelligence Group. However, in order to implement an aggressive asset removal program in 1990, Asset Removal Groups supported with contract personnel were established as formal organizational entities.

Bureau of Prisons (BOP)

Improvements in the education programs in BOP correctional institutions during 1990 were evidenced by a number of significant achievements. These included: 64 percent of those offenders tested received general equivalency diplomas; new course enrollments totaled 84,164; almost 60 junior and 4-year colleges and post-

secondary technical institutes provided courses to 2,500 Federal prisoners; English as a Second Language was offered to an estimated 5,000 inmates whose primary language is not English; and 266 separate occupational programs were offered in BOP covering 40 different skill areas.

The BOP continued to operate the largest new employee examining process in the Federal Government outside of the Office of Personnel Management, and achieved a correctional officer staffing level of 99 percent, with more than 7,000 applicants on the correctional officer register, 250 of those being bilingual applicants.

In an effort to further information exchange between the community and field locations, BOP established Community Relations Boards at most of its institutions. Another BOP quality enhancement during 1990 included the expansion of the automated Key Indicator system, which enables managers to track numerous categories of vital management information and detect and act on trends in the events underlying those data.

Drug Enforcement Administration (DEA)

In 1990, a Strategic Planning Task Force was commissioned to refine DEA's Strategic Planning System and develop a more cohesive strategy to carry DEA into the 21st century. The Task Force is comprised of staff from major DEA programs and the Army-Air Force Center for Low Intensity Conflict. Its product is called the Strategic Management System (SMS). The SMS articulates and prioritizes specific enforcement and management policy that will effectively support the overall goal of reducing the availability of drugs in the United States. It will be the primary vehicle for establishing agency priorities,

developing strategies for meeting long-term goals and objectives, and identifying resource needs.

The Hazardous Waste Disposal Unit provides technical support and guidance to law enforcement entities pertaining to the proper management and disposal of hazardous waste generated by the seizure of illegal drugs and the chemicals and apparatus used to produce and process them. As part of this process, DEA and the Joint Federal Task Force on the Cleanup of Clandestine Drug Laboratories published and distributed 28,000 copies of its *Guidelines for the Cleanup of Clandestine Drug Laboratories*.

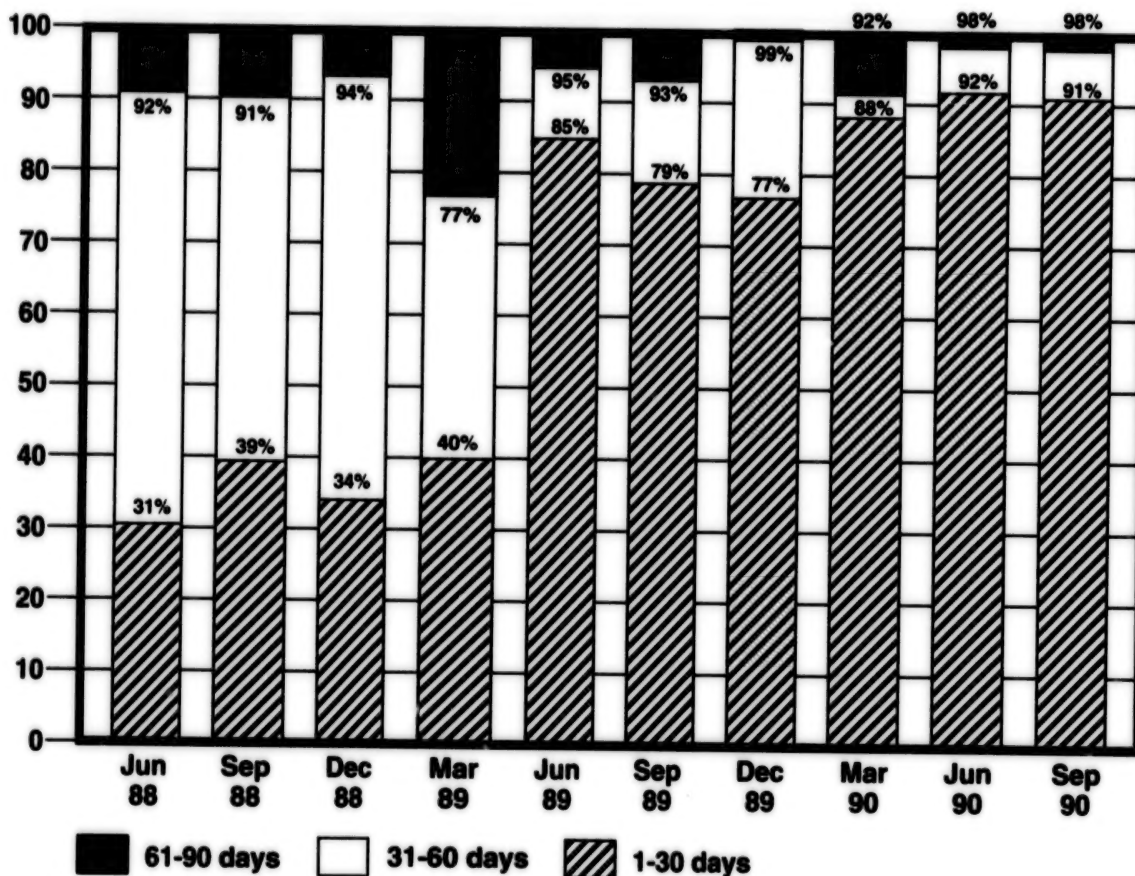
Federal Bureau of Investigation (FBI)

The FBI Administrative Services Division has undertaken a Bureauwide coordinated effort to communicate and facilitate information on Total Quality Management (TQM). These efforts include: TQM awareness seminars for Headquarters division managers; establishing TQM as the theme for an Executive Retreat; and recommending TQM speakers for the FBI's Distinguished Lecturer Series.

The FBI Laboratory Division implemented the Foreign Language Achievement and Incentive Programs which reward FBI employees who demonstrate exceptional performance in obtaining and using critical foreign language skills in their assignments. The FBI has budgeted a total of \$2.4 million for these programs.

In order to enhance the quality of its products and services and increase the productivity of its work force, the Information Management Division converted two former field offices to Information Technology Centers (ITC). The objective of an ITC is to provide a stable, skilled

Retirement Processing Statistics Finance Staff



work force to address critical information-processing needs in support of the FBI's investigative mission. The ITCs provide support to field offices in the areas of bill-paying services, file archival processing for assessment or destruction, and processing and analytical support for major investigations through utilization of on-line information systems.

Justice Management Division (JMD)

Some of the significant achievements in quality improvement during 1990 within JMD were: the considerable reduction in processing time for submission of retirement documentation to the Office of Personnel Management (OPM) -- approximately 91 percent of all retirement documentation is now processed to OPM within 30 days; elimination of payroll backlogs which

had existed for one and one-half years; growth in Departmentwide participation in direct deposit/electronic funds transfer; and a doubling in the rate of compliance over the past four years with the Prompt Payment Act.

Automation Efforts

The Department continued to enhance office and program operations through the use of new office automation systems and other computer and communication technologies. The benefits derived from the efficiency, accuracy, and expanded access to vital information offered by these technological advancements have significantly improved operations Departmentwide.

Legal Activities Automation Progress - Project EAGLE

The goal of legal activities office automation is to improve the productivity of the Department's legal activities programs through modernization and enhancement of office automation systems. The Department's EAGLE office automation contract has made substantial progress toward achieving this objective. EAGLE provides word processing, electronic mail, calendar management, communications and file transfer, and database management in an integrated workstation on each employee's desktop.

During 1990, nearly 4,000 EAGLE workstations were put into operation nationwide. The U.S. Attorneys' Offices completed EAGLE installations in 30 districts, as well as the Executive Office for U.S. Attorneys, for a total of

2,781 workstations. The Criminal and Tax Divisions installed over 500 workstations each, in Washington, D.C. locations and their field offices in Dallas, Texas. The Justice Management Division and the Office of the Solicitor General converted to EAGLE as well. In addition, a communications gateway was installed that allows EAGLE users to communicate and transmit documents electronically with users of the older AMICUS system.

Attorneys, managers, professionals, and support staff have benefitted greatly from the EAGLE system. Exchange of information is quicker than with overnight delivery or facsimile, and attorneys can edit and review recommended changes to documents with minimal delay. Access to automated legal research databases through the EAGLE system has also reduced the amount of time necessary to conduct such research.

Investigative Support Systems

Components within the Department made significant advances in developing specialized automated investigative support systems to assist program operations. The Criminal Division designed a computer system to enhance its ability to coordinate large, multi-district, multi-agency money laundering investigations. The Civil Rights Division engaged in an intensive program to install a computerized geographic information system in order to prepare for the increased workload that will occur when thousands of redistricting plans are submitted for preclearance under the Voting Rights Act.

The Federal Bureau of Investigation (FBI) acquired over 1,000 intelligent workstations in

1990, the majority of which are supporting investigations in the field. In addition, the FBI's Technical Services Division obtained approval to use the White House paging system which will provide greater coverage than the existing system used by the FBI and will permit the addition of at least 350 more people to the system.

The Justice Retrieval and Inquiry System (JURIS) is a legal and administrative computerized research system designed and maintained by the Legal and Information Systems Staff (LISS) of the Justice Management Division. This database search and retrieval system contains the complete text of Federal cases, statutes, and regulations, in addition to DOJ appellate briefs, Federal manuals and other Government materials which are available for retrieval and display in response to users' requests. JURIS is available to Federal offices nationwide via the FTS2000 Sprintnet telecommunications network and has over 13,000 users in over 650 organizational sites

Expanding Immigration Database

The Immigration and Naturalization Service (INS) continued to move toward its goal of managing all alien files and receipts under the Receipts and Alien Files Accountability and Control System (RAFACS) and to establish new technology to augment the existing manual files with electronic records and optical images. During the year, a new prototype system -- RAFACS II -- was installed in the Eastern Regional Service Center to facilitate handling up to 3,000 receipt, notice, and adjudication transactions per day. The system includes a status information system accessible by public telephone.

Having developed automated support mechanisms for specific enforcement activities such as the Automated Information System Criminal Alien Program and the Employer Sanctions Management Information System, INS began in 1990 to plan for an integrated system for collecting and managing information and tracking all investigative casework. This system will reflect a shift from current statistical reporting to incident-based data collection. In addition, INS continued to develop a system which will connect all enforcement programs in INS with the National Crime Information Center and the National Law Enforcement Telecommunications Systems.

Debt Collection

The Department plays a dual role in carrying out its function as the Federal Government's debt collector. First, the Department collects the criminal and civil debts awarded by the courts as a result of litigation conducted by the U.S. Attorneys' Offices and the litigating divisions. Second, the Department sues delinquent debtors on behalf of its Federal agency clients to collect debts these agencies have been unable to collect by methods short of litigation.

In 1990, the Department collected \$506.6 million *in cash*, in civil and criminal debts owed to the Federal Government. Although a sizable amount, more can be done, and is being done to increase the Department's ability to collect debts. During this year, the Department worked with the Office of Management and Budget and other Federal agencies to improve the timeliness and quality of civil debt referrals to the Department

During 1990, the Department used a number of programs to increase debt collection revenues.

- ***Criminal Fine Payment Incentive Program.*** A one-time program that offered monetary incentives to debtors to make full payment on debts. Collections of \$3.3 million were obtained through this program.

- ***IRS Tax Refund Offset Program.*** A program under which debtors' federal income tax refunds are offset to make payment on debts. Collections of \$4.3 million for both voluntary payments and actual offsets were obtained through this program.

- ***Inmate Financial Responsibility Program.*** A program that uses the earnings of inmates to offset fines, special assessments, and/or restitution imposed as part of the inmate's sentence. More than \$13.9 million were collected toward inmate financial obligations through this program.

- ***Credit Card Payments.*** The Department accepts credit card payments for debts owed to the United States offering "front line" collectors an effective debt collection tool.

In addition to the Department's continued support of the passage of the Federal Debt Collection Procedures Act which would provide for a uniform method of collecting Federal debts, the Department continued to employ the private counsel pilot program. This pilot program was statutorily extended through September 1992 in order to have additional time to evaluate it. Meanwhile, two more judicial districts were added to the program, bringing the total to seven participating districts. In 1990, over 2,700 cases, valued at \$14 million, were referred to private attorneys in this program.

Other pilot programs included the use of private attorneys to handle rural home foreclosures for the Department of Agriculture. In 1990, 596 such cases, valued at \$22.7 million, were distributed to four private law firms. This pilot was also used to test a new way of handling and tracking debts sent to the Department for litigation. Under this new approach, debts that would have been sent to U.S. Attorneys' Offices in pilot districts by client agencies were sent to a Central Intake Facility operated by a private contractor using an automated system. Results from the use of this centralized intake of debts indicated that the Department would benefit from the expansion of this concept nationwide.

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